



Carlos Jackson
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office
2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

**AGENDA
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION
WEDNESDAY, APRIL 25, 2007
12:00 NOON
Business Technology Center (BTC)
2400 N. Lincoln Avenue
Altadena, CA 91001
(626) 296-6300**

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1. **Call to Order**
2. **Roll Call**

Lynn Caffrey Gabriel, Chair
Henry Porter, Jr., Vice Chair
Severyn Aszkenazy
Philip Dauk
Adriana Martinez
Dora Nowden

3. **Reading and Approval of the Minutes of the Previous Meetings**

Regular Meeting of March 28, 2007

4. **Report of the Executive Director**

5. **Staff Presentations**

No Staff Presentations

6. **Public Comments**

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.



Regular Agenda

7. Approve Funding of Housing Authority Projects with Fiscal Year 2007-2008 Community Development Block Grant Funds (All Districts)

Recommend that the Board of Commissioners find that acceptance of funding from the County of Los Angeles for Housing Authority for capital improvements projects and services for public housing residents is not subject to the California Environmental Quality Act (CEQA), because the activities do not have the potential for causing a significant effect on the environment; authorize the Executive Director to accept from the County of Los Angeles an estimated \$4,591,896 in Fiscal Year 2007-2008 (July 1, 2007 to July 30, 2008) Community Development Block Grant (CDBG) funds, as identified in the Housing Authority portion of the Los Angeles Urban County Fiscal Year 2007-2008 One-Year Action Plan; authorize the Executive Director to use the subject funds for capital improvements and services for public housing program residents; authorize the Executive Director to request incorporation of the subject funds into the Housing Authority's Fiscal Year 2007-2008 budget through the annual budget approval process, subject to final notification by the U.S. Department of Housing and Urban Development (HUD); authorize the Executive Director to execute CDBG Reimbursable Contracts with the County of Los Angeles, attached in substantially final form, to provide funding for the activities described herein, to be effective following approval as to form by County Counsel and execution by all parties. (APPROVE)

8. Approve the Housing Authority's Fiscal Year 2007-2008 Budget

Recommend that the Board of Commissioners find that approval of the Housing Authority's 2007-2008 Fiscal Year Budget is not subject to the California Environmental Quality Act (CEQA), because implementation of the Budget will not have a significant effect on the environment; adopt and instruct the Chair to sign the Resolution approving the Budget, which includes revenues and expenditures of \$286,120,000, the Transmittal Resolution certifying submission of the Budget to the U.S. Department of Housing and Urban Development (HUD), and the Resolution approving the cost allocation model developed with the Housing Authority's outside auditors, Klynveld Peat Marwick Goerdeler, presented as Attachments A, B and C, respectively; authorize the Executive Director to institute a General Salary Adjustment at a maximum combined amount of 10% over the next three years; instruct the Executive Director to implement the Budget and to take all related actions, including submission of the Resolutions and related documents to HUD and execution of all required documents, following approval as to form by County Counsel. (APPROVE)

9. Approve Additional Funding for Section 8 Investigative Services in the Cities of Lancaster and Palmdale

Recommend that the Board of Commissioners find that acceptance of a total of \$356,790 in Economic Development Funds (EDF) funds allocated to the Fifth Supervisorial District, and an estimated \$356,790 in matching funds from the cities of Lancaster and Palmdale, for the performance of investigative services by the Housing Authority during the current and next fiscal year, are exempt from

the California Environmental Quality Act (CEQA), because the actions do not have the potential for causing a significant effect on the environment; recommend that the Executive Director accept and incorporate the subject funds into the Housing Authority's 2006-2007 and 2007-2008 Fiscal Year budgets, as described herein; and authorize the Executive Director to take all necessary actions to implement the services described above, including executing Memoranda of Understanding with the cities, and all administrative amendments thereto, following approval as to form by County Counsel, as set forth in the attached Motion by Commissioner Antonovich. (APPROVE)

10. Housing Commissioner Comments and Recommendations for Future Agendas

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at marisol.ramirez@lacdc.org, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
MINUTES FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, March 28, 2007

The meeting was convened at the Lancaster Homes housing development, located at 711-737 West Jackman Street, Lancaster, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Lynn Caffrey Gabriel at 12:35 p.m.

ROLL CALL

	<u>Present</u>	<u>Absent</u>
Lynn Caffrey Gabriel	X	
Henry Porter, Jr.	X	
Severyn Aszkenazy	X	
Philip Dauk		X
Adriana Martinez		X
Dora Nowden	X	

PARTIAL LIST OF STAFF PRESENT:

Bobbette Glover, Assistant Executive Director
Maria Badrakhan, Director, Housing Management
Emilio Salas, Director, Administrative Services

GUESTS PRESENT:

No guests were present.

Reading and Approval of the Minutes of the Previous Meeting

On Motion by Commissioner Nowden, seconded by Commissioner Porter, the Minutes of the Regular Meeting of February 28, 2007, were approved.

Agenda Item No. 4 - Report of the Executive Director

Bobbette Glover reported on the following matters:

Ms. Glover reported on the status of the Section 8 Management Program. A monthly report on the Section 8 Program will be provided to the Board of Commissioners, as requested in the Motion submitted by Supervisor Burke. Recent program data indicates that progress has been made in reducing the number of delinquent re-examinations, increasing voucher issuance, and reducing delinquent inspections. Copies of the Housing Authority's response to Supervisor Burke's Motion and the Minutes of the February 27, 2007, meeting will be provided to the Housing Commissioners.

Ms. Glover reported that at the Public Hearing regarding the 2007 Agency Plan, Supervisor Molina expressed concerns about the Housing Authority's troubled status due to Section 8 program performance. Supervisor Molina entered a Motion offering suggestions to increase the efficient use of Section 8 program funds. Following discussion, it was concluded that the implementation of many of these options would result in a negative impact on the program. Representatives from the Neighborhood Legal Services (NLS) were also present at the meeting, and submitted a 23-page report stating its concerns about the program. Approval of the 2007 Agency Plan is pending the Housing Authority's response to the Motion by Supervisor Molina and a response to the NLS.

The Housing Authority has complied with a request from the Los Angeles Times to provide information on the Section 8 program. The Daily News has also submitted a request for the same information provided to the Los Angeles Times.

Commissioners Nowden and Dauk recently attended the NAHRO Conference in Washington, D.C. Staff was not able to attend the conferences held by The California Housing Authority Association (CHAA). Commissioner Nowden provided a brief overview of the training sessions she attended.

Agenda Item No. 5 – Staff Presentations

Geoffrey Siebens presented the Quarterly Status Report on Construction Management and responded to questions from the Commissioners.

Agenda Item No. 6 - Public Comments

Several Residents of Lancaster Homes were in attendance.

Regular Agenda

On Motion by Commissioner Aszkenazy, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

**APPROVE CONSTRUCTION CONTRACT FOR ROOF REPAIRS
AT PALM APARTMENTS SENIOR HOUSING DEVELOPMENT
IN THE CITY OF WEST HOLLYWOOD (3)
AGENDA ITEM NO. 7**

1. Recommend that the Board of Commissioners find that the roof repairs at the Palm Apartments senior housing development, located at 959 Palm Avenue, in the City of West Hollywood, is exempt from the provisions of the California Environmental Quality Act (CEQA), as described herein, because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve the award of a Construction Contract (Contract) in the amount of \$62,655 to Best Contracting Services, Inc. for roof repairs at the subject property; and authorize the Executive Director of the Housing Authority to execute the Contract and all related documents, to be effective upon the issuance of the Notice to Proceed, which will not exceed 30 days following the date of Board approval.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$62,655 in Capital Funds allocated by the U.S. Department of Housing and Urban Development (HUD), and authorize the Executive Director to approve Contract change orders not exceeding \$15,664 for unforeseen project costs, using the same source of funds.
4. Recommend that the Board of Commissioners authorize the Executive Director to incorporate a total of \$78,319 of Capital Funds into the Housing Authority's approved Fiscal Year 2006-2007 Budget, for the project described above.

Commissioner Aszkenazy recommended developing a Request for Proposals (RFP) for roofing consulting services to have consultants on a retainer.

On Motion by Commissioner Porter, seconded by Commissioner Aszkenazy, and unanimously carried, the following was approved by the Housing Commission:

**ACCEPT RESIDENT OPPORTUNITIES AND SELF-SUFFICIENCY RESIDENT
SERVICE DELIVERY MODELS PROGRAM FUNDS FROM THE U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (ALL DISTRICTS)**

AGENDA ITEM NO. 8

1. Recommend that the Board of Commissioners find that the proposed action is exempt from the California Environmental Quality Act (CEQA).
2. Recommend that the Board of Commissioners authorize the Executive Director to accept from the U.S. Department of Housing and Urban Development (HUD) a \$350,000 grant of Resident Opportunities and Self-Sufficiency (ROSS) Resident Service Delivery Models Program funds to implement a three-year supportive services program to promote independent living for up to 1,529 elderly and persons with disabilities who reside at the 14 conventional public housing sites identified in Attachment A.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute all documents required for receipt of the grant; and if approved, the funds will be included in the Housing Authority's proposed 2007-2008 Fiscal Year budget.
4. Recommend that the Board of Commissioners authorize the Executive Director to prepare and execute contracts and any amendments thereto, including increasing contract amounts by up to 25 percent, as needed, with multiple community organizations and service providers, in a combined total amount not to exceed \$350,000, to assist with program planning, implementation, and administration of activities, in accordance with HUD requirements, following approval as to form by County Counsel.

On Motion by Commissioner Porter, seconded by Commissioner Aszkenazy, and unanimously carried, the following was approved by the Housing Commission:

**FURNITURE, FIXTURES AND EQUIPMENT FOR HOUSING CHOICE VOUCHER
(SECTION 8) PROGRAM OFFICE AT 2323 EAST PALMDALE BOULEVARD,
PALMDALE (5)**

AGENDA ITEM NO. 9

1. Recommend that the Board of Commissioners find that the purchase of furniture, fixtures and equipment (FFE) for the Housing Choice Voucher (Section 8) Program office at 2323 East Palmdale Boulevard in the City of Palmdale is not subject to the California Environmental Quality Act (CEQA).
2. Recommend that the Board of Commissioners authorize the Executive Director of the Housing Authority to negotiate and enter into contracts and related documents with various firms, to be effective following approval as to form by County Counsel and execution by all parties, to provide FFE, as

described herein, for the Section 8 Program office to be located at 2323 East Palmdale Boulevard in the City of Palmdale; and to use for this purpose an aggregate amount of up to \$296,000 in Housing Choice Voucher Administrative Funds included in the Housing Authority's approved Fiscal Year 2006-2007 budget.

3. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the contracts, following approval as to form by County Counsel, to provide for any unforeseen costs, in the aggregate amount of up to \$74,000 in Housing Choice Voucher Administrative Funds included in the Housing Authority's approved Fiscal Year 2006-2007 budget.

On Motion by Commissioner Aszkenazy, seconded by Commissioner, Porter and unanimously carried, the following was approved by the Housing Commission:

APPROVE JANITORIAL SERVICES CONTRACT (ALL DISTRICTS)
AGENDA ITEM NO. 10

1. Recommend that the Board of Commissioners find that the Janitorial Services Contract is exempt from the California Environmental Quality Act (CEQA), as described herein, because the services will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director of the Housing Authority to execute a one-year Contract for Janitorial Services and all related documents, with Diamond Contract Services, Inc. for services at the administrative offices of the Housing Authority and at the housing developments; and authorize the Executive Director to fund the Contract with an amount not to exceed \$270,922.56 in Housing Authority funds, comprised of \$45,154 included in the approved Housing Authority's fiscal year 2006-2007 budget and \$225,768.56 to be requested through the fiscal year 2007-2008 annual Housing Authority budget approval process.
3. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Contract following approval as to form by County Counsel, for a maximum of two years, in one-year increments, at the same yearly amount of \$270,922.56, using funds to be requested through the Housing Authority's annual budget approval process.
4. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Contract for any additional services, following approval as to form by County Counsel, in an amount not to exceed \$13,546.13 per year, to cover any unforeseen needed janitorial services, using the same yearly source of funds described above.


**Agenda Item No. 12– Housing Commissioner Comments and
Recommendations for Future Agenda Items**

Commissioner Porter noted that the Commissioners' Leadership Conference conflicts with next month's Housing Commission Meeting. No Commissioners will attend.

Commissioner Porter thanked Ms. Glover for providing the various news articles pertaining to the Housing Authority. The Commissioners agree that they are very informative.


On Motion by Commissioner Porter, the Regular Meeting of March 28, 2007, was adjourned at 1:55 p.m.

Respectfully submitted,


CARLOS JACKSON
Secretary -Treasurer

Housing Authority - County of Los Angeles

April 25, 2007

TO: Housing Commissioners
FROM:  Bobbette Glover, Assistant Executive Director

**SUBJECT: RESPONSE TO COMMISSIONER PORTER'S QUESTION REGARDING
THE JANITORIAL CONTRACT**

During the Housing Commission meeting of March 28, 2007, Commissioner Porter questioned the origin of the "Proposal Amount" of \$449,337.48, for Diamond Contract Services, Inc., (Contractor). The Housing Authority was requested to provide clarification prior to presenting this matter to the Board of Commissioners.

The "Proposal Amount" indicated in Attachment A of the Housing Commission letter was incorrectly reported for the Contractor. The correct amount that the Contractor proposed was \$445,474.63 annually, and is comprised of \$270,778.32 for the Housing Authority sites and \$174,696.31 for the Community Development Commission sites.


The proposed cost for the Housing Authority sites was subsequently increased by \$144.24, to \$270,922.56 annually, due to changes in the number of janitorial service hours required at some of the sites.

Since this was a Request for Proposal (RFP) solicitation, the language in Attachment A of the letters to the Board of Commissioners has been changed to reflect the evaluation scores rather than the proposal amounts for each of the Proposers. Qualification and experience, quality of the work plan, and references were considered.

Housing Authority - County of Los Angeles

April 25, 2007

TO: Housing Commissioners

FROM: Bobbette A. Glover 
Assistant Executive Director

**SUBJECT: BOARD OF COMMISSIONERS APPROVAL OF AGENCY PLAN
FOR THE HOUSING AUTHORITY**

Attached is a copy of the minutes of the April 3, 2007 Board meeting at which time the Agency Plan was approved. Motions, introduced by Supervisors Burke and Molina, were approved by the Board.



MINUTES OF THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY
OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Commissioners
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

At its meeting held April 3, 2007, the Board, acting as the Board of Commissioners of the Housing Authority, took the following action:

1-H

The following item was called up for consideration:

Hearing to consider the Housing Authority's Agency Plan which consists of the Five-Year Plan for Fiscal Years 2004-08, with an amendment to include goals relating to the Violence Against Women Act and Project-Based Vouchers, and the Annual Plan for Fiscal Year 2007-08 which updates the Housing Authority's program goals, major policies and financial resources, including the Capital Fund Annual Statement and Five-Year Action Plan, Admissions and Continued Occupancy Policy for the Conventional Public Housing Program, the Public Housing Lease Agreement, and Section 8 Tenant-Based Program Administrative Plan (All Districts); and adopt resolution approving the Plan for submission to the U.S. Department of Housing and Urban Development (HUD) and authorizing the Executive Director to take all actions required for implementation of the Annual Plan; authorize the Executive Director to execute all documents required to receive from the HUD \$5,665,390 in Capital Fund Program funds for resident programs, operating costs, and the rehabilitation of 1,461 housing units at 12 Conventional Public Housing Program developments throughout the County; also find that the Plan is exempt from the provisions of the California Environmental Quality Act, as further indicated in the attached letter dated March 27, 2007 from the Executive Director of the Housing Authority.

All persons wishing to testify were sworn in by the Executive Officer of the Board, Carlos Jackson, Executive Officer of the Housing Authority testified. Opportunity was given for interested persons to address the Board. Ruth Schwartz and Arnie Corlin addressed the Board. No correspondence was presented.

(Continued on Page 2)

Supervisor Burke made the following statement:

"In accordance with the Quality Housing and Work Responsibility Act of 1998, the Housing Authority is required to complete an Agency Plan that identifies program goals, major policies, and financial resources for both the Conventional Public Housing and Section 8 Tenant-Based Programs. The Agency Plan includes the Section 8 Administrative Plan, which sets forth the policies and procedures that govern the Housing Authority's administration of rental assistance under this program.

"In accordance with Code of Federal Regulation 24 Part 982.553, the Housing Authority has the discretion to deny assistance to an applicant who has a history of criminal activity. The Housing Authority's current policy regarding criminal activity is to deny an applicant on parole or probation. In the Agency Plan Board Letter, the Housing Authority proposed to allow applicants who are on parole or probation admission to the program if they met all other eligibility criteria. In order to ensure program integrity, I recommend withdrawing this proposal and not modifying the Section 8 criminal background policy in the Housing Authority's Administrative Plan.

"Furthermore, in accordance with Code of Federal Regulation 24 Part 982.405, the Housing Authority has the authority to conduct Annual, New Contract and Quality Control Inspections. The regulation also allows the Housing Authority the discretion to conduct other inspections as needed. In order to maintain compliance with program rules, I recommend the modification of the Housing Authority's inspection policy to include Compliance Checks.

"Furthermore, in accordance with Code of Federal Regulation 24 Part 982.555, the Housing Authority must grant a participant an opportunity for an informal hearing before a participant is terminated. The regulation also gives the Housing Authority discretion in defining hearing procedures, including the role of the hearing officer. In order to implement more effective hearing procedures, I recommend modifying the Housing Authority's policies on informal hearings to include further definition of the role of the hearing officer and rules of evidence."

(Continued on Page 3)

1-H (Continued)

Therefore, Supervisor Burke made a motion, to amend the Executive Director of the Housing Authority's aforementioned recommendation, seconded by Supervisor Molina, to instruct the Executive Director of the Housing Authority to withdraw the proposed change to the Administrative Plan to allow applicants on parole or probation admission to the Section 8 Program; modify the inspections policy to expand the types of inspections performed to include compliance checks; and to establish guidelines in accordance with 24 CFR 982.555 to further define the rules of evidence for an informal hearing and the role of the hearing officer.

Supervisor Molina made the following statement:

"In the report back to the Board dated March 27, 2007, the Executive Director of the Housing Authority requested \$300,000 to support a one-year contract with a housing locator agency to assist section 8 voucher holders in securing permanent affordable housing for participants in the Section 8 program. This is an important and necessary step to fully maximize Section 8 vouchers and improve the overall lease-up rate. This also comes at a time when voucher utilization is being tied to new funding formulas adopted by the Congress. This funding formula is likely to be the standard in future years based on new legislation that Congresswoman Maxine Waters has introduced, and it is in the County's best interest to begin efforts now to maximize our funding potential under this new formula."

Therefore, on motion of Supervisor Molina, seconded by Supervisor Burke, unanimously carried, the Board instructed the Executive Director of the Housing Authority to report back within two weeks with a funding plan that outlines funding sources that do not impact existing services from within the Housing Authority's budget for the \$300,000 needed to contract with a housing locator agency; and with an implementation plan for the housing locators that outlines outcome measures; how will these efforts affect our waiting lists; how will this impact our status of voucher utilization, and therefore our funding levels for next year.

In addition, Supervisor Antonovich instructed the Chief Administrative Officer to report back to the Board on a plan to add investigator positions to the Housing Authority.

(Continued on Page 4)

1-H (Continued)

On motion of Supervisor Burke, seconded by Supervisor Antonovich, unanimously carried, the Board acting as the Board of Commissioners of the Housing Authority closed the hearing and took the following actions:

1. Instructed the Executive Director of the Housing Authority to:
 - Withdraw the proposed change to the Administrative Plan to allow applicants on parole or probation admission to the Section 8 Program;
 - Modify the inspections policy to expand the types of inspections performed to include compliance checks; and
 - Establish guidelines in accordance with 24 CFR 982.555 to further define the rules of evidence for an informal hearing and the role of the hearing officer;
2. Approved the attached Agency Plan, which consists of the Five-Year Plan for Fiscal Years 2004-08; with an amendment to include goals relating to the Violence Against Women Act and Project Based Vouchers, and the Annual Plan for Fiscal Year 2007-08, as required by the U.S. Department of Housing and Urban Development (HUD), to update the Housing Authority's program goals, major policies and financial resources, including the Capital Fund Annual Statement and Five-Year Action Plan, the Admissions and Continued Occupancy Policy for the Conventional Public Housing Program, the Public Housing Lease Agreement, and the Section 8 Tenant-Based Program Administrative Plan as amended by Recommendation No. 1;
3. Adopted and instructed the Chairman to sign the attached Resolution approving the Agency Plan for submission to HUD, and authorizing the Executive Director of the Housing Authority to take all actions required for implementation of the Annual Plan;

(Continued on Page 5)

1-H (Continued)

4. Authorized the Executive Director to execute all documents required to receive from HUD approximately \$5,665,390 in Capital Fund Program funds for resident programs, operating costs, and the rehabilitation of 1,461 housing units at 12 Conventional Public Housing Program developments throughout Los Angeles County, as described in the Annual Plan;
5. Authorized the Executive Director to incorporate into the Annual Plan all public comments received and approved for inclusion by your Board; and authorize the Executive Director to submit the Annual Plan to HUD by April 17, 2007;
6. Instructed the Executive Director to report back within two weeks with a funding plan that outlines funding sources that do not impact existing services from within the Housing Authority's budget for the \$300,000 needed to contract with a housing locator agency; and with an implementation plan for the housing locators that outlines outcome measures; how these efforts will affect our waiting lists; how this will impact our status of voucher utilization, and therefore our funding levels for next year; and
7. Instructed the Chief Administrative Officer to report back to the Board on a plan to add investigator positions to the Housing Authority.

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Attachment

Copies distributed:

Each Supervisor
Chief Administrative Officer
County Counsel
Executive Director of the Housing Authority

Housing Authority - County of Los Angeles

April 11, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director

SUBJECT: HUD FINANCIAL AUDIT ON SECTION 8 PROGRAM

Attached is a copy of the draft financial management review that was performed by the U.S. Department of Housing and Urban Development (HUD), Office of Housing Voucher Programs between January 30, 2007 and February 9, 2007. The review was initiated as a result of the Troubled agency status we received as of June 30, 2006. The purpose was to review the Section 8 programs administered by the Housing Authority of the County of Los Angeles (HACoLA) for the period of January 1, 2003 through December 31, 2006, to attest to HACoLA's capacity to manage federal funds.

This review was programmatic to ensure that both Housing Assistance Payments (HAP) to landlords and administrative expenses are accurately monitored and accounted for in accordance with program requirements. This report is one of the four of which we have been awaiting the results. The Office of Inspector General (OIG) audit report on Housing Quality Standards (HQS) inspections was previously transmitted to your Board on March 30, 2007. We are still awaiting the OIG audit report on eligibility and annual reexaminations and HUD's Corrective Action Plan.

The financial report was complimentary towards our accounting and financial records, resulting in only four findings and eight observations. The findings are primarily administrative in nature, which are easily addressed and correctable.

The observations as listed on pages 9-12 of the HUD report are merely suggestions that HACoLA may or may not implement. Responses to the observations are currently being discussed and will be included in our formal report back to HUD by April 30, 2007. Observation No. 2 regarding HAP payments is the only one of any contention due to HUD's recommendation to stop making payments to landlords if the annual reexamination is delinquent. Based on our interpretation of the regulations, we will challenge this observation.

HACoLA is currently working on how best to address this issue with HUD and is awaiting final determination in the OIG report to move forward with our response. A copy of this response will be forwarded to you for your information.

Each Supervisor
April 11, 2007
Page Two

Following are the four findings, with our corrective action to be implemented.

- **FINDING NO. 1 - BOARD RESOLUTIONS FOR ADMINISTRATIVE PLAN AND POLICIES/PROCEDURES** - It is a federal requirement that HACoLA have the Board adopt the Administrative Plan annually with a signed resolution each year. This was done on March 28, 2006, and a copy of the resolution will be forwarded to HUD with our response. It is unknown how this document was not provided to the auditors, but in follow-up discussions with them, all that is required is submission of the resolution. Future changes to any policies/procedures will be adopted timely and filed in a central location in the Executive Office, with a copy of the Board approved minutes attached.
- **FINDING NO. 2 - COST ALLOCATION POLICY** – It is a HUD requirement that Housing Authorities have Board approval on their cost allocation policy. We believed that our annual budget submission met that criterion; however, after discussions with the auditors, we have agreed to include a separate resolution with the Fiscal Year 2007-2008 budget Board letter requesting formal approval of our cost allocation methodology and plan. This will be submitted to your Board at the June 5, 2007 meeting. Upon approval, a copy of the resolution and Board minutes will be forwarded to HUD. All future changes to the methodology will be formally documented, approved and adopted by the Board.
- **FINDING NO. 3 - INTERNAL CONTROL POLICY** - The existing Internal Control procedures for check processing will be updated and forwarded to HUD by June 30, 2007. HACoLA will ensure proper controls are included in the policy and responsible staff will be provided training as needed. An interim policy is currently in place which addresses the referenced weaknesses.
- **FINDING NO. 4 - GENERAL DEPOSITORY AGREEMENT** - HACoLA disagrees with this finding. In consortium with our main depositor and disbursement bank, Bank of America, HACoLA will be submitting Form HUD-51999, General Depository Agreement, with a non-applicable designation due to impracticalities with collateralized requirements. It is management's opinion that Bank of America's collateralization certification exceeds federal requirements.

Should you have any questions or require additional information, please contact me at (323) 890-7400. Thank you.

CJ:KRS
Attachment

c: Each Deputy

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000



**Office of Housing Voucher Programs
Limited Financial Management Review**

**Housing Authority of the County of Los Angeles
CA002**

**Conducted
January 30-February 9, 2007**



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000**

**OFFICE OF PUBLIC AND INDIAN HOUSING
Office of Housing Voucher Programs
Financial Management Division**

Mr. Carlos Jackson
Executive Director
Housing Authority of the County of Los Angeles
2 S. Coral Circle
Monterey Park, CA 91755-7404

Dear Mr. Jackson:

This report presents the results of a limited financial management review for the Housing Choice Voucher (HCV) programs at the Housing Authority of the County of Los Angeles (HACoLA), which was conducted from January 30-February 9, 2007. This review also included six small city housing authorities administered by HACoLA.

The review was performed to ensure that HUD programs are administered in accordance with the Consolidated Annual Contributions Contract, program requirements, and the Housing Authority's Administrative Plan. The review process also serves as a means for the Department to provide direct technical assistance to your agency as needed.

We would like to commend HACoLA on their proactive approach to address deficiencies and work toward improving the administration of the Section 8 program. We appreciate the cooperation extended by your staff during this review.

Findings are cited in a Management Review whenever a violation of the 24 Code of Federal Regulations (CFR) or statutory requirement is discovered, which has a substantial impact on the administration of the program. An Observation is an opinion or judgment in the form of a comment or remark regarding an aspect of the PHA operation (reference HCVP Handbook 7420.10G). Although our observations are not cited as findings, our recommendations provide actions that should be taken to ensure improvements to your programs. There are four (4) findings, and eight (8) observations contained in this report.

Enclosed are three copies of the report with recommendations for corrective action. Please furnish a reply as to corrective action taken or planned to address deficiencies identified in this report within 30 days. The plan should include corrective actions taken or to be taken, actions that will prevent these issues from occurring in the future, and target dates for completion of each action.

You may e-mail your response and corrective action plan to robert_h_boepple@hud.gov or send it to:

U.S. Department of Housing and Urban Development
Public and Indian Housing
Financial Management Division
451 7th Street, SW, Room 4232
Washington, DC 20410-6000

Should you have any questions, please contact Robert Boepple, Senior Advisor, at (816) 426-6157.

Sincerely,

Miguel A. Fontanez-Sanchez
Director
Financial Management Division

Enclosure

cc: Dennis Alfier, Board Chairperson
David Vargas, Director, Housing Voucher Program
John Phillips, Acting Director, Quality Assurance Division
Terry Gratz, Acting Supervisor, Quality Assurance Division
K.J. Brockington, Acting Director, Los Angeles PIH
Glenda Giffie, Division Director, FMC

INTRODUCTION

Background

The Housing Authority of the County of Los Angeles ("HACoLA") is a Public Housing Authority. In 1982, the Los Angeles County Board of Supervisors consolidated three County entities - the Housing Authority, the Community Development Department, and the Redevelopment Agency - to form the County of Los Angeles Community Development Commission (CDC).

The Board of Supervisors (BOS) currently serves as the commissioners of the CDC -- which includes serving as the commissioners of the Housing Authority of the County of Los Angeles (Housing Authority) -- setting policy for the agency. The Housing Authority also has a Housing Commission, which is composed of five appointees by the Board of Supervisors and four "tenant" commissioners - two representatives who live in the CDC's public housing sites and two representatives who are Section 8 renters. The Housing Commission serves as the Housing Authority's Board, which reports to the BOS.

HACoLA operates a wide variety of HUD programs that are designed to provide affordable housing solutions to residents, and promote community and economic development. HACoLA administers Housing Choice Voucher; Mainstream vouchers; Moderate Rehabilitation; Single Room Occupancy (SRO); Shelter Plus Care (S+C); Multi-family Project Based Assistance (PBA); and Low Rent Public Housing programs. Descriptions of these programs may be found at Appendix A.

HACoLA also administers the Housing Choice Voucher programs for:

- CA135 – Housing Authority of the City of Lakewood
- CA137 – Housing Authority of the City of Paramount
- CA138 – Housing Authority of the City of Lawndale
- CA139 – Housing Authority of the City of Lomita
- CA145 – Housing Authority of the City of West Hollywood
- CA147 – Housing Authority of the City of Santa Fe Springs

The agency, for their fiscal year (FY) 2006-2007, has an approved operating budget of approximately \$400 million. The total annual funding provided by the Office of Public Housing is approximately \$200,000,000.

Scope and Methodology

A limited financial management review of the Housing Authority of the County of Los Angeles (HACoLA) was conducted for the period of January 1, 2003 through December 31, 2006. To obtain a better understanding of the processes and procedures, interviews and discussions were held with HACoLA officials and the below items were reviewed:

- Administrative Plan
- Financial Records (general ledger detail, subsidiary ledgers, income statements, balance sheets, check registers, etc.)
- Housing Assistance Payment (HAP) Registers.
- Inter-Agency Agreements
- Inter-Governmental Agreements
- Contracts
- Cost Allocation Plan (proration of administrative expenses)
- Investment Policy
- Internal Control Policies
- Property (asset) listing
- Salaries and benefits
- Independent Audits and Reports spanning the review period
- Bank Statements and reconciliations
- Listing of all agency Bank Accounts and their purpose
- Adjusting Journal Voucher Entries
- Cash receipts and disbursements ledgers
- Annual Contributions Contracts
- General Depository agreements for all related bank accounts
- Subsidiary ledgers for income and expenditures

FINDINGS AND CORRECTIVE ACTIONS

Finding No. 1 – Board Resolutions for Administrative Plan and Policies/Procedures

In accordance with 24 CFR §982.54, the PHA must adopt a written administrative plan that establishes local policies for administration of the program in accordance with HUD requirements. The PHA Board of Commissioners must formally adopt the administrative plan and any revisions of the plan. In addition, there were limited formal written policies/procedures. The responsible program staff was unaware of existing policies/procedures.

At the time of the review, an official Board Resolution adopting the Administrative Plan and policies/procedures was not available. Copies of memorandums from the previous Section 8 Director were provided. However, these are not formal Board Resolutions. It is imperative that changes be tracked through formal resolutions and their adoption(s) is part of the official meeting minutes.

Required Corrective Action No. 1: Provide copy of Board minutes or Resolutions, which adopted the Administrative Plan dated July 1, 2006 and written policies/procedures. Ensure all changes are adopted timely and that written policies and procedures are readily available for staff use.

Finding No. 2 - Cost Allocation Policy

OMB Circulars A-87 and A-122 provide guidance for cost allocation of administrative expenses. HACoLA's formal cost allocation plan was drafted by KPMG in April 2002. The plan was never formally adopted, as the agency was unable to provide a copy of the formal Board Resolution(s). The PHA did provide a copy of the current allocation, along with a summary of actual direct costs. However, explanations to define where data was extracted were not included. The responsible program staff had to conduct additional research to provide explanations and details to the review team.

The review team found that the cost allocation methodology had changed during the current fiscal year. HACoLA previously used prior year actual expenses and total funds to allocate overhead costs. Instead of using total funding (such as HAP and Administrative Fees) as the cost allocation base, only administrative revenues (such as Administrative Fees) are used. This change was made in response to impending implementation of asset management. The Board did not formally adopt this change, and the agency failed to document the changes.

Also, adjustments for discontinued programs are made, but there is no recognition of new grant/program funding until the second year. This methodology does not provide an accurate reflection of cost distribution.

Required Corrective Action No. 2: Ensure the draft cost allocation methodology and plan are documented, and approved by the Board. Provide a copy of the Board minutes or Resolution, which adopt the Cost Allocation Principles. Subsequent changes also need to be documented, approved and adopted. Allocate costs during the first year of revenue, instead of the second year for new grants/programs. Ensure details are available for future reviews.

Finding No. 3 – Internal Control Policy

OMB Circulars A-87 and A-123, the Consolidated Annual Contributions Contract (CACC), and The Federal Managers Financial Integrity Act (P.L. 97-255) provide guidance on the financial management standards required by regulation for internal controls. HACoLA has the County's written internal control procedures. There is significant institutional knowledge, but a lack of defined written for CDC specific procedures. Responsible program staff was unaware of existing written procedures. The internal auditor is the only one that has copies and is aware of the written procedures.

Segregation of duties is limited, and does not incorporate the recent reorganization. All caseworkers and first line Section 8 Supervisors have the ability to input owner data and HAP payment requests into Emphasys.

During the review, a HAP check run was observed. The same person obtained blank checks from finance, prepared check run file, generated checks, printed checks, stamped (signature) checks, prepared files for finance and bank reconciliation of HAP run, controlled blank and signed checks, and delivered "signed" checks to finance. Once finance had completed their review, the previous staff member delivered the checks to the mailroom. It was also noted, this same person controlled the storage of the signature plates. In addition, the signature stamp contained only one signature [Executive Director]. Existing CDC policies have a tiered dollar threshold for the signatures required.

Required Corrective Action No. 3: Update existing Internal Control procedures, dated July 1997. Separate duties, especially during the check writing process, to ensure adequate internal controls exist to protect the integrity of Housing Assistance Payments. HACoLA should adhere to the existing signature policy. Provide training to responsible program staff.

Finding No. 4 – Lack of General Depository Agreements:

The 24 Code of Federal Regulations §982.156, Section 9 of the CACC, and PIH Notice 2002-13, which refers to PIH Notice 96-33, paragraph 2 state that General Depository Agreements (GDA) are required for all financial institutions, which have federal funds on deposit. This requirement has been extended, and has an indefinite expiration date. It is the opinion of the Department's Assistant General Counsel that form HUD-51999 is required, and Section 12 of the GDA cannot be altered. "More importantly, Section 12 does more than require PHAs' deposits to be collateralized. It also protects HUD's interest in those public funds." In addition, Section 10 of the GDA states "that the GDA terms cannot be modified by either party without prior written approval of HUD."

The GDA requires that “deposits and accounts of the Depository must be insured by the Federal Deposit Insurance Corporation or the National Credit Union Shared Insurance Fund.” The GDA further requires “any portion of PHA/IHA funds not insured by a Federal Insurance organization shall be fully (100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD.” **Such collateral shall, at all times, have a market value of at least equal to the amount of the deposits so secured.**

Form HUD-51999, General Depository Agreement has not been executed between HACoLA and the Bank of America. A copy of the contract between the Bank of America and HACoLA was provided. However, it references California statutes *not* federal requirements.

In addition, the certification of collateralization from Bank of America (BoA) did not provide the list of specific securities or amounts assigned to collateralize HACoLA’s funds. Instead a lump sum of the pooled funds for all public agencies was provided in the certification. These funds may be collateralization for multiple entities, and may not protect HACoLA’s federal funds as required.

Required Corrective Action No. 4:

HACoLA must ensure federal funds are properly collateralized, and shall be required to transfer all accounts with federal funds on deposit should BoA fail to execute the required form HUD-51999 (including Section 12).

- a. Execute form(s) HUD-51999 for all accounts with federal funds on deposit.
- b. Obtain a list of specific securities, by entity, used as collateralization
- c. Submit executed forms HUD-51999, with original signatures, along with the security listing from 4b to the local Field Office.

OBSERVATIONS AND RECOMMENDED ACTIONS

Observation No. 1 – Balance Sheet Analysis:

A simplified balance sheet analysis was completed during the review using the financial data schedule (FDS) information submitted through the Real Estate Assessment Center (REAC) to determine available cash. There is a material difference between FDS, and the balance sheet provided by HACoLA's accounting staff. The difference in the balance sheet is a result of time frames for HACoLA's fiscal year end versus the calendar year funding.

It appears the agency's REAC FDS submission provides current (annual) funds available, and does not represent an accrued balance. However, the HACoLA balance sheet appears to provide the accrued balance. Based on HACoLA's balance sheet, as of December 31, 2006 (run date January 31, 2007), the available cash is \$20,631,734. In addition, the amount of funds invested is \$144,016,694.

HACoLA's statement of revenues and expenditures, as of December 31, 2006 (run February 6, 2007), reflects an Unrestricted Net Assets -- HAP (unencumbered funds) of \$57,768,145. In addition, there are Unrestricted Net Assets – Administrative Fees (Admin Fee Reserves) of \$8,394,129. *Note: There are also restricted investments in the amount of \$32,596,560.*

Recommended Corrective Action No. 1: HACoLA should contact the REAC financial analyst to inquire whether the FDS submissions should be revised to include accrued balances from previous years.

Observation No. 2 – Housing Assistance Payments (HAP):

The 24 Code of Federal Regulations §982.551(b) and 982.552(c) provide guidance for family obligations to receive HAP and PHA termination of HAP. In addition, the PHA's administrative plan, Chapter 12, Section 12.2.3 (page 107), states "If the family fails to attend the appointment or fails to bring all the required information and has not requested an informal hearing, Housing Assistance Payments will be stopped."

During our review, HACoLA's executive staff informed us that the Office of Inspector General (OIG) has been on-site for several months. It has been identified that many Section 8 participants have not had the required annual re-certification of tenant eligibility performed. The reasons given were: 1) Family's failure to provide the required information, 2) PHA's inability to obtain third-party verification, or 3) Lack of procedures and/or quality control to ensure program specialists are performing annual reexaminations as required.

Upon completion of their audit, a separate OIG report will be provided. There may be a determination that HAP made on behalf of the families is ineligible, and the PHA may be required to reimburse HUD.

As a result of several administrative concerns, including low leasing and the recertification/contract maintenance issues, the Section 8 Division is undergoing a major reorganization. Several consultants are assisting HACoLA to develop strategies and procedures for improved performance and provide additional training to staff. The Executive Director stated that increased focus on contract maintenance (reexaminations) is their number one priority. Senior staff informed the reviewers that reexaminations were being started 120 days prior to the family's anniversary date. However, responsible program staff stated they were starting the process at 60 days prior to, and would implement the 120 days in April.

HACoLA also continues to increase lease-up. There are currently 2,500 families in the pipeline searching for units. As part of technical assistance, discussions with HACoLA's executive staff were held. They were reminded that the HCV program is a budget-based program. The amount of funding a PHA receives is determined by the actual number of units leased and HAP used during the previous twelve-month period. In addition, there may be inadequate resources available, depending upon the outcome of the OIG audit.

Recommended Corrective Action No. 2: HACoLA should ensure reexamination of tenant eligibility for existing families is started 120 days prior to, and completed by, the anniversary date. All delinquent reexaminations should be completed prior to significantly increasing their current lease-up. The agency must immediately stop issuing HAP checks for delinquent reexaminations. Leasing levels should be adjusted to those that can be supported by available funding.

Observation No. 3 – Quality Controls:

Section 8 supervisors conduct quality control of file data, but do not compare paper documents with system data to ensure information agrees. In addition, supervisors do not have standardized procedures to ensure consistency of quality control (i.e., one performs 5%, another 10%, etc.) and quality control is done "as needed".

Recommended Corrective Action No. 3: Implement written procedures to ensure quality control is standardized and completed on a regular basis, and includes verification of written documentation and system information.

Observation No. 4 – Internal Control:

HACoLA employs one internal auditor. However, staff was unaware of existing written procedures. In addition, the internal audit procedures have not been updated since 1983.

Recommended Corrective Action No. 4: Update existing Internal Audit procedures to ensure consistency and compliance with changes in federal requirements. Provide training to all staff.

Observation No. 5 – Independent Audits

OMB Circular A-133, and the Single Audit Act of 1996 require an independent audit (IA) to be conducted for each fiscal year in which federal funds of \$300,000 (*\$500,000 for fiscal years ending after December 31, 2003*) or more are expended annually. The audit must include an opinion of the auditor, areas of material weakness or non-compliance, and the financial statement.

A limited review of IA reports was conducted on-site. There were no findings listed on IA reports. HACoLA staff was not able to provide copies of management letters. The IPA stated there were no material weaknesses or instances of non-compliance of internal controls. However, during the review it was determined that there was lack of proper segregation of duties (see Finding No. 3). In addition to the audit reports, the agency provided copies of the Comprehensive Annual Financial Report (CAFR), which indicated a need to improve their internal controls.

Copies of the County of Los Angeles' Department of Auditor-Controller reports were obtained during the final days of the review. There were items of significant importance identified in these reports. As an example: The March 10, 2005 report states, "CDC's Executive Director has the authority to make budget adjustments throughout the year within the same budget unit without having to obtain Board approval. Although the Commission was adhering to its own policies and procedures, we are recommending the Commission clarify the Board's intent to grant CDC *unlimited* budget adjustment authority."

Recommended Corrective Action No. 5: HACoLA should consider having the IA incorporate items of significant importance from the County's reports when conducting the independent audit.

Observation No. 6 – Limited Software Capabilities

There are two major software systems used by the financial and Section 8 staff. However, Emphasys (Section 8) and PeopleSoft (financial) are unable to communicate with each other. Manual input is required to transfer expense data from Emphasys. HACoLA also had difficulty extracting expense details from PeopleSoft to support summary reports for the reviewers.

According to Section 8 staff, Emphasys had data converted from an internal database that contained errors, but has not been corrected. When Emphasys was implemented, a unique identifier or account was not established to easily discern between HCV, Mainstream and Mod Rehab participants. For this reason, the reviewers were unable to identify HAP expenses by program type, as there are no account codes to define each program type. This was a finding for the VMS review and is described in greater detail in the VMS report. HACoLA is in the process of converting to YARDI. This should minimize software deficiencies.

In addition, *all* Section 8 program specialists have access to information in Emphasys and are able to make changes. This may place the integrity of information at risk.

Recommended Corrective Action No. 6: HACoLA should ensure data cleanup prior to conversion, as this will be crucial to successful implementation. Access should be limited and clearly defined for staff. In addition, written procedures and training should be provided to all staff.

Observation No. 7 – Investment of Excess Cash

PIH Notices 96-33 and 95-27 provide guidance for required cash management and investment policies. In accordance with these notices, approved investment securities shall have maturity dates that coincide with expected disbursements by the PHA. In addition, all investments must be capable of being liquidated on one day's notice.

HACoLA's Investment Policy allows for the investment of non-HUD related funds in commercial paper whose maturity dates may not exceed 270 days and some types of mortgage backed securities. Also, the policy does not allow the agency to invest in instruments that have maturity date greater than 5 years from date of purchase. An investment (FNMA) of \$14,993,250 with a maturity date of June 18, 2008 was included in the investment listing. HACoLA staff conducted additional research, and this may not be related to HUD funded programs, but may be part of the CDC's loan program activities. It was interpreted that this investment was allowable under the investment policy, as long it is not related to a HUD program.

Recommended Corrective Action No. 7: HACoLA should clarify the programs and maintain separate lists of investments for HUD and non-HUD funded programs, and provide both lists during future reviews.

Observation No. 8 – Fidelity Bond Coverage

HACoLA staff responsible for maintaining and monitoring insurance coverage stated the agency did not have fidelity bond coverage. As part of the technical assistance provided, a review of insurance coverage(s), and policies was done. There are two coverages: 1) Errors and Omissions, and 2) Employee Theft that meet the criteria required for "fidelity bond".

Recommended Corrective Action No. 8: HACoLA should communicate with the local field office for further assistance to ensure adequate insurance coverage is maintained.

APPENDIX A

HACoLA HUD Administered Programs

- **Voucher Program:** Allows families to select a rental unit anywhere in the County's jurisdiction. The family may not pay more than forty percent (40%) of their adjusted monthly income towards rent. HACoLA determines reasonable rent, and will pay an appropriate amount toward the rent to the landlord.
- **Mainstream:** Mainstream program vouchers enable families having a person with disabilities to lease affordable private housing of their choice. Mainstream program vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.
- **Project Based Assistance Program (PBA):** Provides the option to reside in specific units that have been either constructed or rehabilitated for this program. Unlike the voucher program, assistance remains with the unit.
- **Moderate Rehabilitation Program (Mod Rehab):** Like the PBA program, the assistance remains with the unit. Families are eligible for assistance only as long as they remain in the Mod Rehab unit.
- **Single Room Occupancy Program (SRO):** HACoLA administers units for single, homeless individuals. The assistance remains with the unit.
- **Shelter Plus Care (S⁺C):** The Shelter Plus Care Program provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program. Shelter Plus Care (S⁺C) is a program designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities, (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are living in places not intended for human habitation (e.g., streets) or in emergency shelters. The assistance remains with the unit.
- **Low Income Public Housing (LIPH):** Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single-family houses to high-rise apartments for elderly families. The assistance remains with the unit.

DRAFT CONCURRENCE:				
ORIGINATOR	Sr Advisor	QA Supervisor	QA Div Director	Dir, FMD
Y. Stevens	R. Boepple	T. Gratz	J. Phillips	Fontanez-Sanchez
3-13-07	3-13-07			

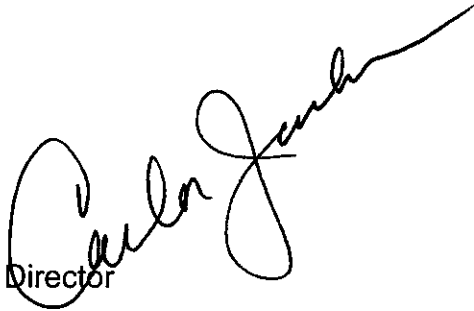
FINAL CONCURRENCE - READER/FILE COPY:					
FILE NAME:	HA	FUNCT	HA CODE	SUBJ	DATE/INITIAL
CA002_Fin Mgt_Feb 07. Final	HACoLA	Sr Advisor/ QAS	CA002	Fin Mgt review rpt	1 st draft 2/21/07; submitted 02/27/07; 2 nd draft 02/28/07; 3 rd draft 03/07/07; 4 th draft 03/09/07 5 th draft 03/13/07 03/13/07 - Final

Housing Authority - County of Los Angeles

March 27, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director



**SUBJECT: BOARD REQUESTED REPORT - SUPERVISOR KNABE'S
MOTION OF FEBRUARY 27, 2007**

Your Board approved the abovementioned motion which required that I report back with the identification of any additional action that the Housing Authority could implement that would enhance our ability to become and remain compliant with the federal regulations governing the Section 8 Program. Furthermore, your Board requested that I identify other actions that could be fast-tracked in order to support our efforts toward achieving a satisfactory performance rating by the U.S. Department of Housing and Urban Development (HUD). The following is provided for your information:

IDENTIFICATION OF ADDITIONAL ACTIONS

With the exception of the fast-track actions discussed below, the most critical action necessary for us to achieve compliance has already been identified and implemented. Specifically, we have expanded the existing staff with temporary employees through June 30, 2007 to assist in three critical areas: lease-up, contracting, and annual reexaminations. As we continue with our efforts, we are also preparing to address the implementation of a Corrective Action Plan (CAP) which I anticipate will be provided to us in mid-April by HUD.

It would be most appropriate at that time to consider the development of various internal management audits to provide oversight of the activities that will be contained in the CAP. In the interim, I have implemented a weekly meeting with the Section 8 Program senior staff members to review our progress toward reaching proficiency on the evaluative indicators used by HUD.

FAST-TRACKING ACTIONS

I have identified several actions that, if fast-tracked, would provide additional support of our efforts to achieve compliance with HUD regulations by June 30, 2007. The first involves the use of housing specialists (persons specializing in locating housing and overcoming barriers to successfully place families in permanent affordable housing) to assist newly issued voucher holders in finding rental housing, and existing voucher holders in relocating from one Section 8 unit to another.

Each Supervisor
March 27, 2007

As I previously reported, due to the highly competitive rental market in Southern California, it is extremely difficult to find affordable housing that meets Section 8 requirements. A contracted agency with a staff of housing specialists would be invaluable to those looking for housing due to its ability to provide linkages to appropriate rental housing, access to move-in funds, negotiate leases, and overcome barriers such as eviction histories and bad credit. Such an agency would be a great asset to our 1500 families who currently have vouchers and are looking for housing, and to the 4600 families who will be issued vouchers to begin looking for rental units in the immediate future. Without this additional assistance, it is possible that the success ratio of voucher issuance to actual lease-up will decrease from 2:1 to 3 or 4:1 (for every 3 or 4 vouchers issued, one will be successful in reaching lease-up).

We do not have the financial resources to pay for intensive housing specialist services, nor the authority to contract for services. I am requesting funding in the amount of \$300,000 (for a one-year period) and authority to execute a sole source contract for the purpose of hiring housing specialists to assist Section 8 voucher holders in their efforts to find decent, safe, and affordable housing. One alternative to the issuance of a sole source contract would be the utilization of one of the existing agencies currently under contract with the Department of Public Social Services to provide housing locator services.

As briefly discussed at the March 27, 2007 meeting of the Board, the countywide internet housing database that is being developed with Socialserve.com is another action that would enable the listing of available Section 8 units within HACoLA's jurisdiction to be accessible to voucher holders looking for housing. HACoLA is willing and able to provide assistance to the CAO as they review and respond to your Board's directive today. We fully support this initiative which would assist our voucher holders in their search for housing.

By way of background, the Socialserve contract was approved by your Board on December 19, 2006 as part of the Homeless Initiative. Although the public listing of HACoLA landlord vacancies was initially planned for November 2007, we have negotiated with the contractor to accelerate this phase to occur as early as May 2007. We believe that this development can be accomplished through the existing contract countywide authority granted to the CAO and we are working with County Counsel and the CAO to expedite the necessary contract amendment. This acceleration will assist voucher holders by:

1. Allowing calls by those seeking assistance with housing searches and enabling online location of available resources.

Each Supervisor
March 27, 2007

2. Obtaining property listings (updates made at least once every 10 business days; the search is free).
3. Obtaining listings, map links, and direct landlord contact information.
4. Securing printer-friendly housing lists that can be sorted by rent amount, property type, bedroom size, address, and date available.

I appreciate the support of your Board in these challenging times. My next report will be submitted in two weeks and will respond to Supervisor Burke's motion also passed by your Board on February 27, 2007. I am available to provide any additional information.

CJ:sm

c: David E. Janssen, CAO
Los Angeles County Housing Commissioners
Each Deputy



Carlos Jackson
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

ASSISTED HOUSING DIVISION

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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

April 6, 2007

Stephanie Haffner
Neighborhood Legal Services
9354 Telstar Avenue
El Monte, California 91731

**RE: RESPONSE TO COMMENTS ON THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES' AGENCY PLAN FOR FISCAL YEARS 2004-2008**

Dear Ms. Haffner:

In response to your March 27, 2007 letter, the following are responses to each of the comments regarding the Agency Plan for Fiscal Years 2004-2008 ("Agency Plan"):

Use of Vouchers

HACoLA has made significant progress over the last several months toward fully utilizing our 20,550 vouchers. We expect to have 98% of the vouchers under lease by the end of this calendar year. Funding projections and a detailed management strategy were sent to the Board of Supervisors on April 2, 2007. (Attached)

Required Process for Obtaining Public Comment on the Proposed Plan

HACoLA is required by 24 CFR §903.17 to have a public hearing before the HACoLA's Board of Commissioners to approve the Agency Plan. Additionally, HACoLA must make the proposed Agency Plan and required attachments, and all information relevant to the public hearing, available for public review and comment at the principal PHA office during normal business hours, not later than 45 days before the public hearing. HACoLA is required to publish a notice regarding the public hearing and the availability of the Agency Plan and required attachments for public review and comment, and to conduct "reasonable outreach activities" to encourage broad public participation.

Copies of the proposed Agency Plan and all required attachments were made available for public review and comment during the 45-day comment period extending from December 29, 2006 to February 11, 2007, at HACoLA's principal offices in Monterey Park, Santa Fe Springs, and Lancaster, at nine public libraries, eleven housing developments, the South Whittier Community



Resource Center, and on HACoLA's web site. Citizens wishing to make written comments or questions on the Agency Plan could mail them to HACoLA, call a 1800 number or access the HACoLA website.

Availability of the Agency Plan documents and summaries were publicized in a December 2006 letter sent to all Public Housing residents, and in the January 2007 Section 8 Tenant Talk newsletter. Additionally, a public notice announcing the 45-day Public Review and Comment Period and Public Hearing date was published in December 2006 in the Los Angeles Times, La Opinion, the Daily News, Wave Community Newspaper, International Daily News, L.A. Sentinel and the Long Beach Press Telegram. Since the inception of the Agency Plan process in 2000, HACoLA has complied with 24 CFR §903.17 and has conducted the public comment period in the same manner. As you are aware, the public hearing to approve the PHA Plan was held before HACoLA's Board of Commissioners on March 27, 2007.

In late February 2007, approximately two weeks after the public comment period ended, a representative from Neighborhood Legal Services contacted the supervisor of the Program Enforcement Unit in the Assisted Housing Division. She explained that she was having trouble locating the Agency Plan on HACoLA website. The supervisor walked her through the website by telephone and helped her to locate the link to the Agency Plan, which was still active. On March 12, 2007, Elaine Chen from Neighborhood Legal Services called and left a message on the 800 number for the Agency Plan. She stated the link to the Agency Plan on website was no longer active. A staff member attempted to call Ms. Chen on a daily basis over the course of a two-week period. Ms. Chen never responded to any of the phone calls.

1. **Requirements Under the Violence Against Women and Department of Justice Reauthorization Act of 2005**

In January 2005 the Violence Against Women and Department of Justice Reauthorization Act (VAWA) was passed into law. HUD began issuing guidance to housing authorities in 2006 regarding VAWA.

Currently, the Section 8 Administrative Plan contains policies in accordance with VAWA to protect applicants and participants of the Section 8 Program from denial or termination of assistance based solely on their status as a domestic violence victim or any incident related to domestic violence. Policies are also included in the Administrative Plan to allow HACoLA to terminate the assistance of a person who commits violence against family members without terminating assistance for any other member of the family, as well as notifying owners of their ability to bifurcate a lease in circumstances involving domestic violence.

HACoLA has also implemented the new Housing Assistance Payments Contract and Tenancy Addendum with incorporated VAWA provisions. The HUD certification form has also been implemented and HACoLA may require victims of domestic violence to certify an incidence of domestic violence is bona fide.

The Section 8 Administrative Plan includes a blanket policy protecting the privacy of applicants and participants. HACoLA's policy states that no information in a family's file will be discussed unless there is a business or legal reason to do so. HACoLA complies with all applicable Federal, state and local laws protecting privacy, including all applicable provisions of VAWA.

HACoLA notified owners and participants of their rights under VAWA in 2006 through newsletters sent to every active owner and participant.

The Public Housing Program does not deny admission to an applicant who is or has been a victim of domestic violence, dating violence, or stalking, if the person otherwise qualifies for assistance. Additionally, we do not evict a current tenant solely because the resident is or has been a victim of domestic violence, dating violence, or stalking. It is HACoLA's practice to utilize a case management approach to the screening of each applicant and for a resident who is a victim of domestic violence, dating violence or stalking. In addition, the Public Housing Program has established a local admissions preference for homeless families, which includes victims of domestic violence and youth emancipating out of foster care.

The Public Housing Admissions and Continued Occupancy Policy (ACOP) also includes a blanket policy protecting the privacy of applicants and current residents. HACoLA's policy is to not share resident information in the absence of an authorization, subpoena, court order or medical emergency due to confidentiality laws and provisions. HACoLA complies with all applicable Federal, state and local laws protecting privacy, including all applicable provisions of VAWA.

In accordance with VAWA, HACoLA will include definitions of terms appropriate to VAWA, including *domestic violence, dating violence, stalking, and immediate family member*.

On February 16, 2007, HUD released guidance regarding VAWA-related portability regulations for public housing authorities. HACoLA will include these policies in its upcoming Administrative Plan.

2. Requirements Under Title IV of the Civil Rights Act of 1964

HACoLA is currently reviewing its policies and will develop policies and procedures as needed to incorporate HUD's "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons" published on January 22, 2007. HACoLA anticipates fully implementing this guidance as soon as feasibly possible.

3. Public Housing Operating Subsidies

Although the transition to Asset Management under the revised Public Housing Operating Fund is not pertinent to the Agency Plan, HACoLA is taking actions to be compliant with the new system

by July 1, 2007. In addition, HACoLA will submit its application to have its losses stopped under the new Operating Fund formula by April 15, 2007.

At this time, HACoLA extends an offer to meet with you personally to discuss Asset Management implementation and the impact of the revised Operating Fund formula on agency operations.

4. Admission Issues

HACoLA originally sought to change its criminal background policy to allow applicants on parole or probation, who were otherwise eligible, admission to the program. After consideration of all issues, HACoLA has decided to rescind the change to the criminal background policy this year.

5. Continued Occupancy Issues

24 CFR 982.551(h)(2) states that except for a birth, adoption or court-awarded custody of a minor child, all other family additions must be approved by HACoLA. HACoLA has gone above and beyond the regulations by allowing adults with marital-type relations to move into the assisted household, as well as returning adult children from the military and any other adult as a reasonable accommodation.

NLS took issue with HACoLA's response to an issue raised in one of the four RAB meetings held in November 2006. The question of whether or not an adult child could be added back into the household was asked by a Section 8 RAB member. Our response was a statement of our policy. NLS stated that HACoLA should not have merely restated our policy but took advantage of the opportunity to discuss its implications.

Four RAB meetings were held and each meeting was two hours long. HACoLA took a great deal of time discussing each portion of the Agency Plan, as well as many of our policies. In each meeting, RAB members asked questions regarding our policies. Each question was answered by first stating what our policy actually stated. After the policy was explained, RAB members were asked if they had any comments or feedback on the policy in question. This was an opportunity to discuss each issue to the extent desired by the RAB. If any comments were made regarding the policy, they are included in the Agency Plan.

6. Public Housing Vacancies

Although unit turnaround time is not pertinent to the Agency Plan, please be aware that HACoLA strives to turnover vacant units as quickly as possible. However, in some cases, there are extenuating circumstances, such as extensive unit damage, that extend the time period necessary for unit preparation. Please be aware that the HUD standard for unit turnaround is not seven days as referenced in your letter. HACoLA welcomes the opportunity to discuss with you in person further details regarding unit turnover in public housing.

7. Section 3

CDC/HACoLA has a comprehensive Section 3 Compliance Plan that incorporates the goals set by HUD and provides procedures. Under our Section 3 Compliance Plan, HACoLA can impose goals, but not quotas to our vendors. CDC/HACoLA take the following affirmative steps to ensure Section 3 compliance:

1. Provide technical assistance to both staff and contractors.
2. Include a Section 3 statement in notice when conducting outreach.
3. Include Section 3 language and instructions in solicitation packages.
4. Provide instructions in pre-bid meetings.
5. Award contract to the lowest most responsive and responsible Section 3 bidder.
6. State in board letters whether or not the contract is a Section 3 contract.
7. Provide further Section 3 instructions in pre-construction/job meetings.
8. Monitor Section 3 requirements during the contract period.
9. Report results.

8. Project-Based Vouchers

As you are aware, the Resolution to issue bonds for the Villa Gardenias Senior Apartments was presented at the January 24, 2007 meeting of the Board of Commissioners. The project, to be located at 3965 East Olympic Boulevard and 1141 South Ditman Avenue in unincorporated East Los Angeles, will consist of a total of 125 units, comprised of 105 one-bedroom units, and 20 two-bedroom units. Thirty-seven of the units will be reserved for households with incomes that do not exceed 50 percent of the Area Median Income (AMI) and eighty-seven of the units will be reserved for households with incomes that do not exceed 60 percent of AMI. One unit will be reserved for an on-site manager.

For the City of Industry Funds Program the household's income cannot exceed 50% of the AMI, adjusted for household size. Bonds Funds permit units to be rented to households with incomes that do not exceed 60% of the AMI, which is the case with this project. Rents for the two programs are defined as 30 percent times 50 or 60 percent of the AMI adjusted for household size and not 30% of the household's actual income. A reasonable utility allowance is deducted from the rent for the two programs.

This development has not been designated as project based Section 8, therefore it is not known at this time if or how many tenants may have Section 8 vouchers. There is not a contractual agreement with the City of Industry and/or the developers/owners stating they will accept Section 8 vouchers and project based vouchers if offered.

Stephanie Haffner
April 6, 2007
Page 6

There is no requirement that developments using the Bond and City of Industry programs accept Section 8 voucher holders, although it is in the interest of the owner to do so since Section 8 fair market rents are typically higher than the Bond or City of Industry program rents.

In response to your statement regarding the property at 1542 East 85th Street, HACoLA has determined that the vacant land be disposed and title be transferred to the Community Development Commission for the provision of affordable housing or homeownership. HACoLA will work closely with the future developer to create the most suitable financing structure, utilizing the most appropriate resources available at the time.

Finally, HACoLA will be including policies in its FY 2007/2008 Administrative Plan for the Project-Based Voucher Program. These policies include site selection criteria as required by federal regulation and will reflect HACoLA's goals as reflected in our local preferences, but also will reflect the federal goals of deconcentration, serving extremely low-income families, and assuring adequate supportive services.

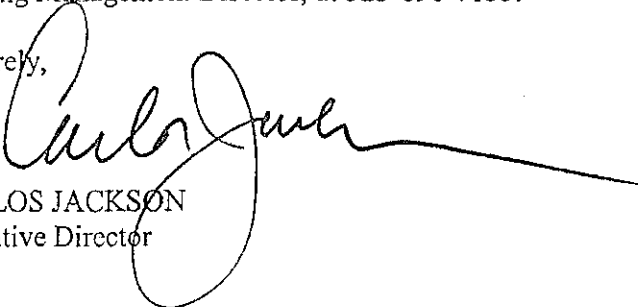
9. RAB Membership and Outreach Activities

There were three Resident Advisory Board (RAB) meetings held for public housing. For the second meeting, there were 21 residents in attendance. This information has been included in the Agency Plan.

Additionally, due to confidentiality laws and provisions, it is HACoLA's policy to not share resident information in the absence of an authorization, subpoena, court order or medical emergency. RAB members are listed by numbers of participants in the Agency Plan. HACoLA will include in the Agency Plan a list of housing developments represented by the RAB members, and the cities in which the Section 8 RAB members reside (please see attached).

HACoLA would like to thank you for taking the time to review and comment on the Agency Plan for Fiscal Years 2004-2008. Should you have any questions, please contact Maria Badrakhan, Housing Management Director, at 323-890-7135.

Sincerely,



CARLOS JACKSON
Executive Director

CJ:dt

Attachments

Membership of Resident Advisory Board (RAB)

PUBLIC HOUSING: 21 members

The following are the housing developments and in which the RAB members reside:

HOUSING DEVELOPMENT	NUMBER OF RAB MEMBERS
Carmelitos	3
Francisquito Villa	3
Foothill Villa	4
Herbert Apartments	3
South Scattered Sites	1
Southbay Gardens	3
Sundance Vista	4

Section 8: 8 members

The following are the cities in which the RAB members reside:

CITIES	NUMBER OF RAB MEMBERS
Gardena	1
Downey	1
Los Angeles	2
Lynwood	1
Whittier	1
Montebello	2

Housing Authority - County of Los Angeles

April 2, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director

SUBJECT: SECTION 8 MANAGEMENT STRATEGY

On March 27, 2007, your Board requested that I report back on the management strategy that I am using to address the current issues in the Section 8 program. As part of my discussion, I will reference the attached Section 8 status report previously submitted to your Board on February 27, 2007. This report (Report) provided you with the overall approach that I implemented in order to remove the Section 8 program from its Troubled status.

Before proceeding with the discussion of my management strategy, it is important that I inform you of a new funding scenario that has recently developed. I previously reported that as a result of a newly enacted funding formula, which now bases funding on expenditures related to lease-up, and the uncertainty of using our program reserves, we projected funding to support a program of 18,000 - 19,000 vouchers. Recent legislative activity and further funding clarification have led me to believe that I can now confidently report that we can use the Housing Assistance Payment (HAP - payment to landlord) reserves to maintain our current voucher level at 20,550. More details on this matter will be discussed in a later section of this memorandum.

Since July 2006, when I determined that there were critical weaknesses in our Section 8 program, I have been implementing a strategy that would enable us to create positive, yet long-term improvements within our program. This improvement strategy focused on three principal priorities:

1. directing program activities to establish the Section 8 program as a Standard Performer by June 30, 2007;
2. implementing management improvements that should sustain the program on a long-term basis at an acceptable performance level; and
3. managing the program's annual funds.

In addition, on March 28, 2007 I submitted, as required, the report to Supervisor Knabe's motion of February 27th, in which I recommended two new actions to support our ongoing lease-up efforts.

The recommendations outlined in my response to Supervisor Knabe's motion and answers to questions raised by the Board are summarized below.

Each Supervisor
April 2, 2007
Page Two

DIRECTING PROGRAM ACTIVITIES

I indicated in my original Report that in order to re-establish the Section 8 program as a Standard Performer, it would be crucial to address the administrative deficiencies by developing both short- and long-term management improvements. I further indicated that the positive consequences of such efforts would remove our program from its Troubled status. Included within the Report was also a discussion concerning our possible funding reduction and the impact of the reduction on our voucher levels; from 20,550 to approximately 18,000-19,000.

There were three performance areas identified by HUD as requiring immediate improvement in order for us to receive a favorable rating by HUD by July 1, 2007. The three areas were: annual inspections, annual re-examinations, and lease-up.

Annual Inspections

As I have noted in past correspondence to you, at the end of last fiscal year, June 30, 2006, the program had a 34% delinquency rate in its annual inspections. That percentage has been drastically reduced to 8% as of March 1st, a rate now acceptable by HUD standard. Annual inspections are now completed two months in advance of the effective date as a result of newly established policies and procedures.

Annual Re-examinations

In reference to delinquent annual re-examinations, we had a backlog of 4,700 delinquent re-examinations as of October 2006. By March 30, 2007, that figure had been significantly reduced to 1,297. We are on target to eliminate the delinquent backlog by the end of April 2007. In addition, we are pacing towards completing at least 96% of all current re-examinations by June 30, 2007. We should receive the maximum points from HUD in this category.

Lease-Up

The lease-up effort has been a major challenge. As noted in the Report, we had an insufficient application pipeline last year to reach a mid-90% lease-up rate. Although we are currently leased-up to 86%, our aggressive efforts have reestablished a vital pipeline to increase lease-up. Our current activities have produced the following:

- A total of 2,828 new contracts since July 1, 2006. Since September of last year, which was the starting point of our aggressive efforts to increase the application pool, we have averaged 313 new contracts per month, for a total of 2507. For July and August 2006 our monthly average was 160.
- An additional 1,640 voucher holders who have found housing and are awaiting their housing assistance contracts to be finalized.
- 3,188 voucher holders who are looking for affordable rental units.
- Approximately 4,600 applicants who are in the final stages of being issued a voucher.

As previously noted, our increased lease-up activities have produced a very healthy participant pool. However, the lease-up has been adversely impacted by program terminations. A total of 3,122 terminations have occurred since July 2006, for an average of 312 per month. This average exceeds our lease-up rate for the past ten months of 282 per month. The terminations have increased, in part, due to the implementation of the Enterprise Income Verification (EIV), as required by HUD. The general purpose of the EIV is to reduce fraud because of unreported income of participants.

IMPLEMENTING MANAGEMENT IMPROVEMENTS

The long-term management improvements discussed in the Report have been implemented. We had determined in early Spring 2006 that a major administrative reorganization was necessary in order to improve our program performance. These improvements had to demonstrate a greater responsiveness to Section 8 applicants, participants and landlords. Furthermore, the matter of having quality data to administer the program was critical. New concepts and business practices were implemented with a long-term perspective. In the last few months, we have established the following improvements: new operational policies and procedures to increase our effectiveness and efficiency; ongoing staff training; re-engineering of our business practices; and we are in the final procurement phase of acquiring a new software program for the Section 8 program. Our current system, which was purchased in 1995, is lacking the capacity to serve the current program demands.

Each Supervisor
April 2, 2007
Page Four

MANAGING ANNUAL FUNDING

As I mentioned in my opening comments, effectively managing the program's funding is the third element of the management strategy. All efforts have been made to secure sufficient funding to maintain our Section 8 program at its current level.

I reported to you that the potential financial impact, due to the new funding formula and under-performance in lease-up, was projected at a loss of \$33 million in landlord payment. As a result of this decrease, we projected a new funding level that could support 18,000 to 19,000 vouchers. This funding scenario was predicated on informal guidance provided by HUD which discouraged the use of our HAP reserves to augment the reduction in our budget authority.

On March 29, 2007, I met with the principal consultant who was instrumental in drafting the current federal legislation that established the new Section 8 funding formula. As a result of that meeting, I am now more optimistic in our ability to use the reserves to fund our ongoing efforts to improve lease-up to 98% by December 2007, such that we will not be forced to reduce the voucher level as we had previously projected.

Based upon this new information, I believe that should we decide not to proceed in this direction, we could jeopardize our ability to re-establish the lease-up momentum should funding for calendar 2008 be based on spending actuals for 2007. Our current HAP reserves of \$51 million are sufficient to cover landlord payments at the current voucher level of 20,550. We estimate that based on the current lease-up activities, we should achieve a 98% rate by December 2007. Approximately \$11 million is required from the HAP reserves to support a program of 20,550 vouchers.

My viewpoint on using a portion of the reserves is further supported by the introduction of a bipartisan bill that will base 2008 Section 8 funding on actual expenditures for calendar year 2007. HR 1851, Section 8 Voucher Reform Act (S⁸ RVA), was introduced on March 29, 2007 by Congresswoman Maxine Waters, Chair, Subcommittee on Housing and Community Opportunity.

Each Supervisor
April 2, 2007
Page Five

Supervisor Knabe's Motion (February 27, 2007)

In my March 27, 2007 response to Supervisor Knabe's motion, I made two recommendations that would assist our lease-up efforts. The first was the use of housing services to assist voucher holders in finding housing. As I noted above, the number of voucher holders who are searching continues to increase. Therefore, this one-on-one service would benefit those who are having difficulty in finding rental housing.

The second recommendation was in reference to Socialserve.com. The CAO, which has informed the Board under separate cover, is expecting the contract amendment to accelerate the work related to the Section 8 program. It is anticipated that the service will be available approximately one month after the amendment is approved.

Potential Program Modifications

Pursuant to your Board's direction, I examined various areas in which we have the authority to modify existing policies to determine if we could increase participant participation by changing the policies. Since the Section 8 program is participant-income driven, the three areas in which we have flexibility and authority to set policies are in payment standards, set-asides and occupancy.

Payment Standard: The Fair Market Rents (FMRs) are determined and published by HUD. HUD allows the payment standard to range between 90% - 110% of the FMRs. The Housing Authority has the flexibility to set the payment standard based on the FMR. The current payment standard used is set at 110%. For discussion purposes, this standard establishes the maximum rent level for each bedroom size and is used to determine the subsidy level for each participant. For example, the current FMR for a 1-bedroom unit is \$1016. Based on the current payment standard of 110%, the allowable rent for a one bedroom unit cannot exceed \$1117. We specifically set the payment standard at this level in order for voucher holders to be more competitive and successful in finding a landlord willing to accept a Section 8 contract. I would not recommend that this standard be reduced. It would disadvantage the participants in finding housing and discourage landlords from renting their units.

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Page Six

Set-asides: A total of 560 vouchers have been previously approved and set-aside to assist special needs populations to secure housing. The Agency Plan that is currently before the Board is seeking approval to set-aside 50 additional vouchers for homeless veterans. Our set-asides provide vouchers to the following:

- homeless families and individuals (210)
- DCFS Family Unification Program (250)
- DHS Access to Housing for Health patients who are homeless and need housing (50)
- DPSS CalWorks Families Project (50)

I recommend that we continue these efforts to support the various special needs housing and homeless initiatives that have been pursued by the County.

Occupancy Standards: Under the regulations, there are two standards allowed:

1. Two persons per bedroom, including the living room as a bedroom.
2. Two persons per bedroom, but head of household is permitted a separate bedroom.

We have adopted Option 1 (two persons per bedroom) as a current policy. This policy is more restrictive but enables us to maximize our funding resources in the issuance of vouchers. I recommend that we continue with the existing policy.

Limiting the Issuance of Vouchers by Bedroom Size

Also, at last week's Board meeting, an inquiry was made regarding the possibility of establishing a policy that would set a limit on the issuance of Section 8 vouchers by bedroom size. It was my understanding that the purpose for such a policy was to assist more individuals since larger units required more subsidy. Prior to 1998, HUD allocated Section 8 certificates (now called vouchers) to Housing Authorities by bedroom size. The current law and regulations specify that individuals and families shall be assisted based on income and family size. This change occurred because, in the past, large families that warranted Section 8 certificates for 4 bedrooms or larger waited an enormous amount of time for assistance. The annual allocation of such certificates to assist large families was generally a small number.

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April 2, 2007
Page Seven

For your information, approximately 80% of all vouchers under contract are for units with between 1 and 3 bedrooms. Therefore, federal legislation would be required to amend the existing law to grant local agencies the authority to limit the utilization of vouchers by bedroom size.

Our overall strategy has been successful in moving the Section 8 program in a positive direction. The progress made thus far is reflected by the positive outputs in the areas that had the greatest deficiencies - inspections and re-examinations. The ongoing lease-up efforts should increase the utilization rate as well. We have increased our chances to be rated favorable at the next review period.

CLM

Attachments: February 27, 2007 Section 8 Status Report
March 27, 2007 - Response to Supervisor Knabe's Motion

c: Each Deputy
David E. Janssen, CAO



EL Monte Office
(626) 307-3655

March 27, 2007

Housing Authority Board of Commissioners
County of Los Angeles
856 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Re.: Submission of Written Comments on the Proposed Annual Plan for Fiscal Year 2007-2009

Dear Chairman Yaroslavsky, and Commissioners Molina, Burke, Knabe, and Antonovich:

Public Counsel Law Center, Neighborhood Legal Services of Los Angeles County, and the National Housing Law Project submit the following comments in connection with the Housing Authority of the County of Los Angeles' (HACoLA) proposed Annual Plan for Fiscal Year 2007-2009, including revisions to the Section 8 Administrative and the Admissions and Continued Occupancy Policy (ACOP).

Public Counsel Law Center is a pro bono law office that serves low-income children, youth, adults, and families, as well as eligible community organizations, in Southern California. Neighborhood Legal Services of Los Angeles County (NLS) provides free legal services to low-income residents of Los Angeles County, including the San Fernando, San Gabriel, and Antelope Valleys, as well as neighboring communities. The National Housing Law Project (NHLP) is a national housing law and advocacy center that provides legal assistance, advocacy advice and housing expertise to legal services and other attorneys, low-income housing advocacy groups, and others who serve the poor. We submit these comments in the hope that they will facilitate a continued dialogue with HACoLA and assist the agency in administering its housing programs in a manner consistent with its mission of promoting adequate and affordable housing.

Our comments on the Annual Plan focus on the following areas: (1) requirements under the Violence Against Women and Department of Justice Reauthorization Act of 2005 to address the needs of domestic violence survivors¹ in housing programs administered by the public housing agency ("PHA"); (2) services for limited English proficient ("LEP") persons as required by Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, ("Title VI"); its implementing regulations; and Executive Order 13166; (3) public housing operating subsidies; (4) admission issues; (5) continued occupancy issues; (6) public housing vacancies; (7) the Section 3 program; (8) project-based vouchers; and (9) Resident Advisory Board (RAB) membership and outreach activities. We would welcome meeting with HACoLA to respond to any questions or concerns that the agency may have with regard to our comments.

¹ While federal law has separate categories for "domestic violence" and "dating violence" in Section 3 of the United States Housing Act of 1937 (42 U.S.C. § 13925), the definition of "domestic violence" in section 6211 of the California Family Code encompasses both federal categories. For simplicity, we use the term "victims of domestic violence" throughout our comments to refer to victims of domestic violence, dating violence, and stalking.

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In addition to our comments on the Annual Plan, we would like to take this opportunity to offer the following recommendations with respect to: (1) HACoLA's failure to fully utilize its authorized vouchers, and (2) difficulties in obtaining the Annual Plan during the public comment period, and future outreach to community-based organizations and other interested parties to encourage broad public participation in HACoLA plans.

Use of Vouchers

We read the article in the Los Angeles Times, *County to lose thousands of vouchers due to administrative problems*, March, 14, 2007, regarding the failure of HACoLA to lease up all of its available vouchers in 2006. We are concerned, as you are, regarding HACoLA's failure. Moreover, we want to be sure that HACoLA does not repeat the problem in 2007. Our understanding is that although HACoLA failed to issue 20,550 vouchers last year, it did not lose those 2006 funds, and that those 2006 funds are now part of HACoLA's voucher reserves, unallocated fund balance, totaling more than \$50 million. We want to make sure that these funds are used in 2007 to issue the full number of authorized vouchers. We are also concerned that if HACoLA does not act quickly and decisively, there may be more severe consequences in 2008 for any failure to fully use the 20,550 vouchers in 2007.

As you know, Public Law 110-5 changed the voucher funding formula for housing authorities for 2007. The new funding formula for 2007 is based on vouchers in use times the cost. According to Center on Budget and Policy Priorities (CBPP) analysis which is based upon HUD data, the amount appropriated by Congress for 2007 allows that each housing authority nationwide will receive funding for the vouchers in use in 2006 times cost, adjusted by inflation plus a 3 to 4 percent increase. Thus, it appears that HACoLA will receive funding of approximately \$165 million for 18,723—19,244 vouchers in 2007. For the remaining vouchers, approximately 1827—1306 (the difference between the authorized level of 20,550 and the number funded for 2007), it is our understanding that HACoLA could use the reserve funds. We do not believe that using the voucher reserves would detract from other HACoLA plans, as we understand that the reserves may only be used for voucher housing assistance payments.

We are concerned that HACoLA be able to act quickly to fully use all of its authorized vouchers. There is certainly a need for vouchers in Los Angeles County, as revealed by the current number of applicants, 111,418, on the Section 8 voucher waiting list. We are also concerned that if HACoLA does not fully use its currently authorized vouchers, it is highly likely that it will lose voucher funding in the future, and that the reserves, the unallocated fund balance, that HACoLA currently holds would be recaptured in 2008.

It appears that any delay in correcting these voucher problems will only make the issue harder to resolve. As you know, the Department of Housing and Urban Development (HUD) calculates voucher usage by unit months. Thus 20,550 vouchers is equal to 246,600 unit months (20,550 x 12). The goal reported in the Los Angeles Times of using 95% of the 20,550 vouchers by July 2007 would mean that at the very minimum 1027 vouchers would remain unused. To realize full utilization for 2007, a goal should be adopted to make up for the shortfall in the early months of 2007.

Thus, full and immediate use of all of the 20,550 authorized vouchers for Housing Authority of the County of Los Angeles (HACoLA) is of critical importance. We urge HACoLA to take all necessary steps to ensure that 20,550 vouchers (246,600 unit months) are fully used in 2007.

Required Process for Obtaining Public Comment on the Proposed Plan.

PHA's are required to make their proposed annual plan and all related documents and information available for inspection by the public at their principal office during normal business hours; publish a

notice that the proposed annual plan available for inspection, as well as conduct reasonable outreach activities to encourage broad participation in public comment and review of the plan. 24 C.F.R. § 903.17(b)(1)(2) and (c); Public Housing Agency [PHA] Plan, Desk Guide at ¶¶ 2.5 and 4.4 (Sept. 20, 2001)

Based on a comparison of last year's efforts to this year's, HACoLA failed to perform adequate outreach, and may have not provided adequate access for public inspection of this year's proposed annual plan until after the requisite 45 days before public hearing on the plan. HACoLA failed to respond to advocates and housing attorneys from public interest legal service providers who inquired during the public comment period between December 29, 2006 and February 11, 2007, to obtain copies of the plan. Likewise, clients of Public Counsel reported that they were not given access to the plan at the HACoLA's offices in Santa Fe Springs, although they made specific requests during the 45 days preceding public hearing. In fact, although there was a link to the plan on HACoLA's website, we were not able to download the plan since the link led to an empty webpage.

In 2006, HACoLA's outreach efforts included sending notification of the availability for inspection and inviting comment on the proposed annual plan to housing advocacy organizations and legal services providers. Organization that received such notice included the Los Angeles Coalition to End Hunger and Homelessness' Save Section 8 Coalition and the Legal Aid Foundation of Los Angeles. Representatives of these organizations were able to obtain copies of the annual plan, and offered comment at the public hearing on the plan. In 2007, however, none of these organizations received any notice from HACoLA regarding the availability of the plan for public review, the public comment period, and the public hearing on the plan.

Given the disparity in outreach efforts and access to the plan afforded by HACoLA between 2006 and 2007, resulting in markedly increased difficulties advocates experienced in obtaining copies of the plan in order to provide meaningful comment, we conclude that the outreach efforts of HACoLA for public comment on their proposed administrative plan for this year are not "reasonable" under the circumstances and therefore in violation of applicable regulation.

We would be pleased to provide for HACoLA's future use the contact information of several community-based organizations and other interested parties, so that the agency may conduct further outreach and encourage broader public participation in the annual plan process.

Comments on HACoLA's Annual Plan

1. Requirements Under the Violence Against Women and Department of Justice Reauthorization Act of 2005.

On January 5, 2006, President Bush signed into law the Violence Against Women and Department of Justice Reauthorization Act of 2005 (P.L. 109-62), and on August 12, 2006, technical corrects to the Violence Against Women and Department of Justice Reauthorization Act of 2005 (P.L. 109-271) (collectively referred to as "VAWA"). Sections 606 and 607 of VAWA amend the Section 8 and public housing sections of the United States Housing Act of 1937 (42 U.S.C. 1437f and 1437d) such that victims of domestic violence, dating violence, and stalking – as well as their immediate family members - who live in public or Section 8-assisted housing are protected from losing their HUD-assisted housing as a consequence of the abuse committed against the victim. In recognition of the strong link between domestic violence and homelessness, the widespread denial of access to and eviction from HUD assisted housing to women and families because of their status as domestic violence survivors, and the lack of emergency and long-term housing opportunities for domestic violence survivors, VAWA seeks to reduce

domestic violence and prevent homelessness by protecting the safety of domestic violence survivors in all types of housing and ensuring that they have access to the criminal justice system without jeopardizing their housing.

We commend HACoLA for including in its annual plan the goal of implementing policies intended to protect victims of domestic violence and a description of services it plans to offer to victims of domestic violence, sexual assault, or stalking. However, the policies described in the annual plan are not implemented in the Section 8 Administrative Plan ("Administrative Plan") and Admissions and Continued Occupancy Policy ("ACOP"), as required by federal law. When policies described in the PHA Plan are not reflected in the supporting documentation, HUD regulations require that the PHA alert readers of such differences. Public Housing Agency [PHA] Plan, Desk Guide at ¶ 3.23.1 (Sept. 20, 2001).

Request for information or action: Accordingly, please provide an explanation for these discrepancies.

The Administrative Plan and ACOP lack provisions required under VAWA, and several provisions violate or are otherwise inconsistent with VAWA requirements. In order to comply with federal law, HACoLA must make significant amendments to the Administrative Plan and ACOP.

VAWA Provisions Must Be Incorporated into the Administrative Plan and ACOP.

Included below are statutory provisions that HACoLA must incorporate into its program policies. The statutory language has been edited without changing it substantively in anticipation that this proposed language can be incorporated into the Administrative Plan and ACOP. We have also presented the material in two sections, that which should be incorporated into the Administrative Plan followed by the recommended changes to the ACOP.

To the extent that HACoLA administers or owns project based Section 8 developments, it must also incorporate the VAWA requirements into its policies for those programs. In addition, HACoLA has an obligation to notify owners and managers of housing assisted under project based Section 8 programs of their rights and obligations with respect to the changes in the law regarding victims of domestic violence. 42 U.S.C. § 1437f(ee).

A. Proposed Language to Include in the Administrative Plan

Definitions. [42 U.S.C. §§ 1437f(f)(8)-(11).]

1. The term "domestic violence" has the same meaning given the term in 42 U.S.C. § 13925.
2. The term "dating violence" has the same meaning given the term in 42 U.S.C. § 13925.
3. The term "stalking" means –
 - a. (i) to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person; or
 - (ii) to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
 - b. in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to –
 - (i) that person;

- (ii) a member of the immediate family of that person; or
- (iii) the spouse or intimate partner of that person.

4. The term "immediate family member" means, with respect to a person –
- a. a spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in loco parentis; or
 - b. any other person living in the household of that person and related to that person by blood or marriage.

Denial of Admission.

That an applicant is or has been a victim of domestic violence, dating violence, or stalking is not an appropriate basis for denial of program assistance or for denial of admission, if the applicant otherwise qualifies for admission. [42 U.S.C. §§ 1437f(c)(9)(A) and (o)(6)(B).]

Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking. [42 U.S.C. §§ 1437f(c)(9)(C)(vi) and (o)(6)(B).]

Termination of Assistance.

An incident or incidents of actual or threatened domestic violence, dating violence, or stalking shall not be good cause for terminating the assistance of the victim of such violence. [42 U.S.C. § 1437f(c)(9)(B).]

The Housing Authority may not terminate assistance to a participant in the voucher program on the basis of an incident or incidents of actual or threatened domestic violence, dating violence, or stalking against that participant. [42 U.S.C. § 1437f(o)(20)(A).]

Criminal activity directly relating to domestic violence, dating violence, or stalking shall not be considered a serious or repeated violation of the lease by the victim or threatened victim of that criminal activity justifying termination of assistance to the victim or threatened victim. [42 U.S.C. § 1437f(o)(20)(B).]

Criminal activity directly relating to domestic violence, dating violence, or stalking shall not be considered cause for termination of assistance for any participant or immediate member of a participant's family who is a victim of the domestic violence, dating violence, or stalking. [42 U.S.C. § 1437f(o)(20)(C).] Criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that domestic violence, dating violence, or stalking. [42 U.S.C. §§ 1437f(c)(9)(C)(i) and (d)(1)(B)(iii)(I).]

Notwithstanding this provision, or any Federal, State, or local law to the contrary, the Housing Authority may terminate assistance to, or an owner or manager may bifurcate a lease under this provision, or remove a household member from a lease under this provision, without regard to whether the household member is a signatory to a lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without terminating assistance to, or otherwise penalizing, the victim of such violence who is also a tenant or lawful occupant. Such eviction shall be effected in accordance with the procedures prescribed

by Federal, State, and local law for the termination of leases or assistance under the relevant program of HUD-assisted housing. [42 U.S.C. § 1437f(d)(1)(B)(iii)(II).]

Nothing in this provision may be construed to limit the authority of the Housing Authority to terminate voucher assistance to individuals who engage in criminal acts of physical violence against family members or others. [42 U.S.C. § 1437f(o)(20)(D)(i).]

Nothing in this provision may be construed to limit the authority of the Housing Authority, when notified, to honor court orders addressing rights of access or control of the property, including civil protection orders issued to protect the victim and issued to address the distribution or possession of property among the household members in cases where a family breaks up. [42 U.S.C. §§ 1437f(c)(9)(C)(iii), (d)(1)(B)(iii)(III), and (o)(20)(D)(ii).]

Nothing in this provision limits any otherwise available authority of the Housing Authority to terminate assistance to a tenant for any violation of a lease not premised on the act or acts of violence in question against the tenant or a member of the tenant's household, provided that the Housing Authority does not subject an individual who is or has been a victim of domestic violence, dating violence, or stalking to a more demanding standard than other tenants in determining whether to terminate. [42 U.S.C. §§ 1437f(d)(1)(B)(iii)(IV), and (o)(20)(D)(iii).]

Nothing in this provision may be construed to limit the authority of the Housing Authority to terminate assistance to a tenant if the Housing Authority can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property or Housing Authority if that tenant is not evicted or terminated from assistance. [42 U.S.C. §§ 1437f(c)(9)(C)(v), (d)(1)(B)(iii)(V), and (o)(20)(D)(iv).]

Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking. [42 U.S.C. §§ 1437f(c)(9)(C)(vi), (d)(1)(B)(iii)(VI), and (o)(20)(D)(v).]

Termination of Tenancy.

An incident or incidents of actual or threatened domestic violence, dating violence, or stalking shall not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence and shall not be good cause for terminating the tenancy or occupancy rights of the victim of such violence. [42 U.S.C. § 1437f(c)(9)(B).]

During the term of a lease under the voucher program, the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause, and an incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence and will not be good cause for terminating the tenancy or occupancy rights of the victim of such violence. [42 U.S.C. §§ 1437f(d)(B)(ii) and (o)(7)(C).]

Criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of the tenancy or occupancy rights, if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that domestic violence, dating violence, or stalking. [42 U.S.C. §§ 1437f(c)(9)(C)(i) and (o)(7)(D).] The lease shall provide that, during the term of the lease, criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a

member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of the tenancy or occupancy rights, if the tenant or an immediate member of the tenant's family is a victim of that domestic violence, dating violence, or stalking. [42 U.S.C. § 1437f(d)(B)(iii).]

Notwithstanding this provision, an owner or manager may bifurcate a lease in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant. Such eviction shall be effected in accordance with the procedures prescribed by Federal, State, and local law for the termination of leases or assistance under the relevant program of HUD-assisted housing. [42 U.S.C. §§ 1437f(c)(9)(C)(ii), (d)(B)(iii)(II), and (o)(7)(D)(ii).]

Nothing in this provision may be construed to limit the authority of an owner or manager, when notified, to honor court orders addressing rights of access to or control of the property, including civil protection orders issued to protect the victim and issued to address the distribution or possession of property among the household members in cases where a family breaks up. [42 U.S.C. §§ 1437f(c)(9)(C)(iii), (d)(B)(iii)(III), and (o)(7)(D)(iii).]

Nothing in this provision limits any otherwise available authority of an owner or manager to evict a tenant for any violation of a lease not premised on the act or acts of violence in question against the tenant or a member of the tenant's household, provided that the owner or manager does not subject an individual who is or has been a victim of domestic violence, dating violence, or stalking to a more demanding standard than other tenants in determining whether to evict. [42 U.S.C. §§ 1437f(c)(9)(C)(iv), (d)(B)(iii)(IV), and (o)(7)(D)(iv).]

Nothing in this provision may be construed to limit the authority of an owner or manager to evict any tenant or lawful occupant if the owner or manager can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant is not evicted. [42 U.S.C. §§ 1437f(c)(9)(C)(v), (d)(B)(iii)(V), and (o)(7)(D)(v).]

Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking. [42 U.S.C. §§ 1437f(c)(9)(C)(vi), (d)(B)(iii)(VI), and (o)(7)(D)(vi).]

Portability. [42 U.S.C. § 1437f(r)(5).]

A family may not receive a voucher from the Housing Authority and move to another jurisdiction under the tenant-based assistance program if the family has moved out of the assisted dwelling unit of the family in violation of a lease, except that a family may receive a voucher from the Housing Authority and move to another jurisdiction under the tenant-based assistance program if the family has complied with all other obligations of the section 8 program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit.

Certification.

Where applicable, the owner, manager, or the Housing Authority may request that an individual certify via a HUD approved certification form that the individual is a victim of domestic violence, dating

violence, or stalking, and that the incident or incidents in question are bona fide incidents of such actual or threatened abuse and meet the requirements set forth in this Plan. Such certification shall include the name of the perpetrator. The individual shall provide such certification within 14 business days after the individual receives a request for such certification from the owner, manager, or Housing Authority. [42 U.S.C. § 1437f(ee)(1)(A).]

If the individual does not provide the certification within 14 business days after the individual receives a request in writing for such certification from the owner, manager, or Housing Authority, nothing in this Plan may be construed to limit the authority of the owner or manager to evict, or the Housing Authority to terminate voucher assistance for, the tenant or lawful occupant that commits violations of a lease. The owner, manager, or Housing Authority may extend the 14-day deadline at their discretion. [42 U.S.C. § 1437f(ee)(1)(B).]

An individual may satisfy the certification requirement by –

1. providing the requesting owner, manager, or Housing Authority with documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or a medical professional, from whom the victim has sought assistance in addressing domestic violence, dating violence, or stalking, or the effects of the abuse, in which the professional attests under penalty of perjury (28 U.S.C. § 1746) to the professional's belief that the incident or incidents in question are bona fide incidents of abuse, and the victim of domestic violence, dating violence, or stalking has signed or attested to the documentation; or
2. producing a Federal, State, tribal, territorial, or local police or court record. [42 U.S.C. § 1437f(ee)(1)(C).]

Nothing in this section shall be construed to require the owner, manager, or Housing Authority to demand that an individual produce official documentation or physical proof of the individual's status as a victim of domestic violence, dating violence, or stalking in order to receive any of the benefits provided in this Plan. At their discretion, the owner, manager, or Housing Authority may provide benefits to an individual based solely on the individual's statement or other corroborating evidence. [42 U.S.C. § 1437f(ee)(1)(D).]

Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking. [42 U.S.C. § 1437f(ee)(1)(F).]

Confidentiality. [42 U.S.C. § 1437f(ee)(2)(A).]

All information provided to the owner, manager, or Housing Authority pursuant to the certification requirement in paragraph __, including the fact that an individual is a victim of domestic violence, dating violence, or stalking, shall be retained in confidence by the owner, manager, or Housing Authority, and shall neither be entered into any shared database nor provided to any related entity, except to the extent that disclosure is –

1. requested or consented to by the individual in writing;
2. required for use in an eviction proceeding under 42 U.S.C. § 1437f(c)(9), (d)(1)(B)(ii), (d)(1)(B)(iii), (o)(7)(C), (o)(7)(D), or (o)(20), or

3. otherwise required by applicable law.

Voucher Program – Notification. [42 U.S.C. § 1437f(ee)(1)(B).]

The Housing Authority shall provide notice to tenants assisted under the voucher program of their rights under 42 U.S.C. §§ 1437f(c)(9), (d)(1)(B)(ii), (d)(1)(B)(iii), (o)(7)(C), (o)(7)(D), (o)(20), (r)(5), and (ee), including their right to confidentiality and the limits thereof, and to owners and managers of their rights and obligations under 42 U.S.C. §§ 1437f(c)(9), (d)(1)(B)(ii), (d)(1)(B)(iii), (o)(7)(C), (o)(7)(D), (o)(20), (r)(5), and (ee). Attached hereto are examples of letters which could be sent to voucher tenants and letters that could be sent to owners and managers of project based Section 8 as well as to the residents of such housing, informing them of the rights and responsibilities with respect to treatment of victims of domestic violence. [note this duplicates what I said previously with respect to just the owners and managers. But it may not hurt to say it twice as it is very unusual to have HA have responsibilities with respect to project based Section 8 that is not project based vouchers.]

B. Proposed Language to Include in the ACOP

Definitions. [42 U.S.C. § 1437d(u)(3).]

1. The term "domestic violence" has the same meaning given the term in 42 U.S.C. § 13925.
2. The term "dating violence" has the same meaning given the term in 42 U.S.C. § 13925.
3. The term "stalking" means –
 - a. (i) to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person; or
 - (ii) to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and
 - b. in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to –
 - (i) that person;
 - (ii) a member of the immediate family of that person; or
 - (iii) the spouse or intimate partner of that person.
4. The term "immediate family member" means, with respect to a person –
 - a. a spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in loco parentis; or
 - b. any other person living in the household of that person and related to that person by blood or marriage.

Admission.

The Housing Authority shall not deny admission to the project to any applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, or stalking if the applicant otherwise qualifies for assistance or admission. [42 U.S.C. § 1437d(c)(3).]

Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking. [42 U.S.C. § 1437d(c)(3).]

Termination of Tenancy.

The Housing Authority shall utilize leases that require (i) that the Housing Authority may not terminate the tenancy except for serious or repeated violation of the terms or conditions of the lease or for other good cause and (ii) that an incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence and will not be good cause for terminating the tenancy or occupancy rights of the victim of such violence. [42 U.S.C. § 1437d(l)(5).]

The Housing Authority shall utilize leases that provide that criminal activity directly relating to domestic violence, dating violence, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of the tenancy or occupancy rights, if the tenant or an immediate member of the tenant's family is a victim of that domestic violence, dating violence, or stalking. [42 U.S.C. § 1437d(l)(6).]

Notwithstanding this provision or any Federal, State, or local law to the contrary, the Housing Authority may bifurcate a lease, or remove a household member from a lease under this section, without regard to whether a household member is a signatory to a lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant. [42 U.S.C. § 1437d(l)(6)(B).]

Nothing in this provision may be construed to limit the authority of the Housing Authority, when notified, to honor court orders addressing rights of access to or control of the property, including civil protection orders issued to protect the victim and issued to address the distribution or possession of property among the household members in cases where a family breaks up. [42 U.S.C. § 1437d(l)(6)(C).]

Nothing in this provision limits any otherwise available authority of the Housing Authority to evict a tenant for any violation of a lease not premised on the act or acts of violence in question against the tenant or a member of the tenant's household, provided that the Housing Authority does not subject an individual who is or has been a victim of domestic violence, dating violence, or stalking to a more demanding standard than other tenants in determining whether to evict or terminate. [42 U.S.C. § 1437d(l)(6)(D).]

Nothing in this provision may be construed to limit the authority of the Housing Authority to terminate the tenancy of any tenant if the Housing Authority can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant's tenancy is not terminated. [42 U.S.C. § 1437d(l)(6)(E).]

Nothing in this provision shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking. [42 U.S.C. § 1437d(l)(6)(F).]

Certification.

Where applicable, the Housing Authority may request that an individual certify via a HUD approved certification form that the individual is a victim of domestic violence, dating violence, or stalking, and

that the incident or incidents in question are bona fide incidents of such actual or threatened abuse and meet the requirements set forth in 42 U.S.C. §§ 1437d(l)(5) and (6). Such certification shall include the name of the perpetrator. The individual shall provide such certification within 14 business days after the individual receives a request for such certification from the Housing Authority. [42 U.S.C. § 1437d(u)(1)(A).]

If the individual does not provide the certification within 14 business days after the individual has received a request in writing for such certification from the Housing Authority, nothing in 42 U.S.C. § 1437d(l)(5), (l)(6), or (u) may be construed to limit the authority of the Housing Authority to evict any tenant or lawful occupant who commits violations of a lease. The Housing Authority may extend the 14-day deadline at its discretion. [42 U.S.C. § 1437d(u)(1)(B).]

An individual may satisfy the certification requirement by –

1. providing the Housing Authority with documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or a medical professional, from whom the victim has sought assistance in addressing domestic violence, dating violence, or stalking, or the effects of the abuse, in which the professional attests under penalty of perjury (28 U.S.C. § 1746) to the professional's belief that the incident or incidents in question are bona fide incidents of abuse, and the victim of domestic violence, dating violence, or stalking has signed or attested to the documentation; or
2. producing a Federal, State, tribal, territorial, or local police or court record. [42 U.S.C. § 1437d(u)(1)(C).]

Nothing in this section shall be construed to require the Housing Authority to demand that an individual produce official documentation or physical proof of the individual's status as a victim of domestic violence, dating violence, or stalking in order to receive any of the benefits provided in 42 U.S.C. § 1437d. At the Housing Authority's discretion, the Housing Authority may provide benefits to an individual based solely on the individual's statement or other corroborating evidence. [42 U.S.C. § 1437d(u)(1)(D).]

Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking. [42 U.S.C. § 1437d(u)(1)(E).]

Confidentiality. [42 U.S.C. § 1437d(u)(2)(A).]

All information provided to the Housing Authority pursuant to the certification requirement in paragraph ___, including the fact that an individual is a victim of domestic violence, dating violence, or stalking, shall be retained in confidence by the Housing Authority, and shall neither be entered into any shared database nor provided to any related entity, except to the extent that disclosure is –

1. requested or consented to by the individual in writing;
2. required for use in an eviction proceeding under 42 U.S.C. § 1437f(l)(5) or (6); or
3. otherwise required by applicable law.

Notification. [42 U.S.C. § 1437d(u)(2)(B).]

The Housing Authority shall provide notice to tenants assisted under the public housing program of their rights under 42 U.S.C. §§ 1437d(l)(5) and (6) and 1437d(u), including their right to confidentiality and the limits thereof.

A. Sections of the Administrative Plan and ACOP Must Be Amended to Comply with VAWA.

HACoLA must also carefully review and amend its Section 8 Administrative Plan ("Administrative Plan"), Admissions and Continued Occupancy Policy ("ACOP"), Housing Assistance Payment contracts, and/or lease agreements as described below to ensure that they are consistent with VAWA. We reference below a number of the provisions that must be modified.

Information about VAWA Rights and Obligations

HACoLA has the responsibility of informing all participants, tenants, owners, and managers participating in its programs about the VAWA requirements. 42 U.S.C. §§ 1437d(u)(2)(B) and 1437f(ee)(2)(B); HUD Notice PIH 2006-23 (February 16, 2007). As part of its duty, HACoLA must inform Section 8 Voucher participants of their right to port a voucher between jurisdictions in order to protect the health or safety of an individual who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believes he or she is imminently threatened by harm from further violence if he or she remains in the assisted dwelling unit. 42 U.S.C. § 1437f(ee)(2)(B). HACoLA should inform participants, tenants, owners, and managers of their rights and obligations under VAWA through initial briefing sessions or other orientation meetings, written materials included in the briefing packets, newsletters produced by HACoLA, re-examination correspondence and interviews, and other appropriate forms of communication. In particular, the provisions of the Administrative Plan regarding portability must be revised to explain that a victim of domestic violence may breach a lease when fleeing the violence and not lose their voucher for failure to provide adequate notice to the landlord or the housing authority.

Contracts

The Housing Assistance Payment Contract between HACoLA and participating owners and managers in the Section 8 Tenant-Based Assistance Housing Choice Voucher Program (as well as contracts in the Section 8 Project-Based Assistance Voucher Program) and the HACoLA Public Housing Lease Agreement, must all explicitly include information on protections for victims of abuse. 42 U.S.C. §§ 1437 f(c), (d), (o)(7)(C), (o)(7)(D), (o)(20), and 1437d(l)(5) and (6). If it has not already done so, HACoLA should use the most recent revised Voucher Assistance Payments Contract (Form HUD-52641) and Tenancy Addendum (Form HUD-52641-A) (dated 1/2007). HUD Notice PIH 2007-5 (HA) (February 16, 2007). These forms include revisions that reflect the statutory requirements of VAWA. By using the new Voucher Assistance Payments Contract and lease, care should be taken to ensure that no tenant loses their housing because of a landlord's failure to sign the new lease addendum or Voucher Assistance Payments Contract.

Certification of Domestic Violence

As stated in Section 7.5.1 of the Administrative Plan, HACoLA may request that an applicant/participant certify that he or she is victim of domestic violence. The individual may use a Certification of Domestic Violence, Dating Violence, or Stalking (Form HUD-50066) to self-certify that he or she has been a victim of domestic violence. In lieu of such certification, a family member may submit as verification of domestic violence a Federal, State, tribal, territorial, or local policy or court record; or documentation signed by a provider or victim services, an attorney or medical professional, from whom the victim has sought assistance with addressing domestic violence, or the effects of abuse, in which the professional

verifies incidents of abuse, and the victim of domestic violence signs or attests to the documentation. However, the obligation of an individual to provide certification or verification of domestic violence does not arise until HACoLA has requested such documentation in writing. Accordingly, sections of the Administrative Plan and/or ACOP dealing with verification of preference, self-certification, verification of non-financial factors, and determination of voucher issuance or admission/continued occupancy for split households must be amended to clarify the policy on collection of information related to domestic violence and reflect these provisions.

Termination or Denial of Assistance/Admission for Violent Criminal Activity

The Administrative Plan and ACOP currently provide that HACoLA may terminate assistance to the family or terminate the lease if any member of the family engages in violent criminal activity. The Administrative Plan further provides that violent criminal activity includes "activity which occurs within the family, such as during domestic violence disputes." These provisions directly contravene VAWA requirements, which prohibit the eviction of or termination of assistance to victims of domestic violence who live in HUD-assisted housing. Similarly, HACoLA may not deny assistance or admission to nonculpable members of a family for domestic violence committed against them. The Administrative Plan and ACOP must be amended accordingly.

Information Shared with Prospective Landlords

The Annual Plan states that HACoLA may share with prospective landlords information regarding prior landlords, if available. To the extent that this statement reflects a policy of requiring tenants to disclose prior landlords or mandates that the information be shared if available, it may cause serious problems for victims of domestic violence. Creating a trail for an abuser to follow to track down a victim may interfere with the victim seeking housing or may frustrate the victim's use of the portability feature of the program. We recommend that all applicants be informed of the fact that they do not need to reveal prior landlords if they are victims of domestic violence and that information regarding prior landlords, if in the file not be passed on to prospective landlords, if the tenant is a victim of domestic violence, as a reference check may alert the abuser to the whereabouts of the victim.

2. Requirements Under Title VI of the Civil Rights Act of 1964.

Pursuant to section 601 of Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, ("Title VI") and its implementing regulations, no person shall "on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance." HUD regulations promulgated pursuant to section 602 of Title VI forbid recipients from "utiliz[ing] criteria or methods of administration which have the effect of subjecting individuals to discrimination because of their race, color, or national origin, or have the effect of defeating or substantially impairing accomplishments of the objectives of the program as respects individuals of a particular race, color, or national origin." 24 C.F.R. § 1.4. Title VI and its implementing regulations require that all recipients of federal financial assistance, including PHAs that receive HUD assistance, such as HACoLA, must provide meaningful access to limited English proficient ("LEP") persons. On, January 22, 2007, HUD published its "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons" ("HUD Final LEP Guidance"). 72 FR 2732. This guidance clarifies legal authority and describes steps that recipients of HUD assistance should take to provide better access to programs and services, including oral interpretation or written translations of important information about their programs, where appropriate.

While most individuals living in the United States read, write, speak and understand English, there are many for whom English is not their primary language. When an individual has a limited ability to read, write, speak or understand English, he or she is considered limited English proficient (LEP). For LEP persons, language can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information relevant to the program, activity or services. In certain circumstances, failure to ensure that LEP persons can effectively participate in, or benefit from, federally-assisted programs and activities may violate the Title VI prohibition against discrimination on the basis of national origin.

HACoLA's Administrative Plan states that all briefing sessions will be conducted in English without regard to the language spoken by the family. In their notices of scheduled informal hearings, HACoLA also directs participants to bring their own interpreters if they do not speak or understand English. These policies violate Title VI and are potentially discriminatory. The Administrative Plan and ACOP are otherwise silent on the provision of linguistically appropriate services to LEP applicants, participants, and tenants. The following sections describe steps that HACoLA should take to ensure that it is complying with Title VI and its implementing regulations.

A. The Four-Factor Self-Analysis.

All federal funding recipients are required to take reasonable steps to ensure meaningful access to their programs and activities by LEP persons. In its Guidance, HUD has adopted the four-factor analysis, developed initially by the U.S. Department of Justice, as the methodology by which funding recipients determine what reasonable steps are needed to provide meaningful access.²

The four-factor test involves a balancing of the following elements:

(1) Number of LEP Persons from a Particular Language Group Eligible to Be Served or Encountered.

Persons eligible to be served, or likely to be directly affected by a HACoLA's program or activity, are those who are served or encountered in the eligible service population. This population will be program-specific and includes persons who are in the geographic areas that have been approved by HUD as HACoLA's jurisdiction or service area. The term "serve" is used to include not only those who are often considered direct beneficiaries of government programs and activities, but also those individuals who are, or should be, subject to the public information missions of HACoLA.

Appendix A to the HUD Final LEP Guidance makes clear that recipients are required by existing regulations to conduct outreach, educate, and affirmatively market the availability of housing and housing-related services to eligible persons that are least likely to apply for and/or receive the program benefits in the geographic area.³ In many cases, those least likely to apply are LEP persons, and where there are few LEP persons in the immediate geographic area, such outreach, education, and affirmative marketing may require marketing to residents of adjoining areas, communities, or neighborhoods.

There are a variety of sources for demographic information. The Bureau of Census is one potential source. Detailed information about the racial and ethnic populations, including languages, can also be inferred from Department of Education data. Links to the Bureau of the Census, Department of

² The Guidance contains an appendix which describes various examples of the application of the four factor analysis in an attempt to illustrate its application in the housing context and a FAQ section as well. The FAQ is also available online at www.hud.gov/offices/fheo/promotingfh/lep-faq.cfm.

³ 24 C.F.R. §§ 200.625, 92.351, and 903.2(d)(1) and (2).

Education, and other demographic data sources can be found at <http://www.lep.gov>.⁴ In addition of course, the documents and experience of HACoLA with applicants and residents/participants is another valuable resource. For example, the HUD Resident Characteristics Report which is derived from information submitted to HUD by HACoLA notes that 32% of the participants in the voucher program are Hispanic and 39% of the tenants in the public housing program are Hispanic. The figure for Asian participants and tenants is 9% for the voucher program and 4% for the public housing program. As to the composition of the waiting list, the Annual plan notes that 25% of the public housing applicants are Hispanic and 17% are on the voucher waiting list, and the percentage for Asian applicants is 3% for both the public housing and the voucher program. Of course these percentages do not indicate whether the family head of household or spouse is a non English speaker, but the percentages are revealing and may indicate that there are a substantial number of non English Spanish speakers and a significant number of applicants who speak a particular Asian language. We also assume that HACoLA has relevant information that is not currently publicly available that may inform the choices that HACoLA must make.

(2) Frequency of Contact with LEP Persons.

The more frequent the contact with a particular language group, the more likely that enhanced language services in that language are needed. HACoLA should consider the frequency of different types of language contacts. For example, frequent contacts with Spanish-speaking individuals who are LEP may require certain assistance in Spanish. Less frequent contact with different language groups may suggest a different and less intense solution. If an LEP person accesses a program or service on a daily basis, HACoLA has greater duties than if the same person's frequency of contact with a recipient's program or activity is unpredictable or infrequent. Regardless of frequency of contact, HACoLA should consider whether appropriate outreach to LEP persons could increase the frequency of contact with LEP language groups.

(3) Nature and Importance of the Program, Activity or Service to the LEP Individuals.

As a rule of thumb, the more important the activity, information, service, or program, or the greater the possible consequences of the contact to the LEP individuals, the more likely language services are required. The HUD Final LEP Guidance recognizes the critical role housing plays in maintaining quality of life. HACoLA should determine whether denial or delay of access to services or information could have serious implications for the LEP individual given the basic purpose for which it was funded. Similarly, HACoLA should consider whether a specific activity is compulsory in order to participate, or to continue to participate, in a program, such as filling out forms, providing certain information, attending briefing sessions, or attending an administrative hearing.

(4) Resources Available, Including Costs of Providing LEP Services.

The level of resources available to HACoLA and the costs that would be imposed may have an impact on the nature of the steps it should take to meet the needs of LEP persons. Regardless, HACoLA has an obligation to carefully explore the most cost-effective means of delivering competent and accurate language services before limiting services due to resource concerns. Notwithstanding any decision to limit language services based upon a lack of resources, a HACoLA still has an obligation, under the four-factor analysis, to provide meaningful access to LEP persons.

⁴ LEP.gov is a website maintained by the U.S. Department of Justice. It was created by the Federal Interagency Working Group on Limited English Proficiency. That Working Group was created at the request of Assistant Attorney General for Civil Rights. The Working Group includes members representing more than 35 federal agencies.

The HUD Final LEP Guidance is clear that these issues can often be reduced by technological advances, including the sharing of language assistance materials and services among and between recipients, advocacy groups, and federal grant agencies, and by reasonable business practices. Other possible ways to reduce costs include training bilingual staff to act as interpreters and translators, pooling resources, standardizing documents to reduce translation needs, using qualified translators and interpreters to ensure that documents need not be "fixed" later and that inaccurate interpretations do not cause delay or other costs, centralizing interpreter and translator services to achieve economies of scale, or the formalized use of qualified community volunteers.⁵

B. Safe Harbor Provision

The HUD Guidance does not provide a "bright line" rule that clearly describes a recipient's obligation to provide language services in any specific context. While it does offer examples and a Frequently Asked Questions (FAQ) section, even these do not provide the certainty that a recipient might want from the Guidance. In the alternative, the Guidance offers two "safe harbors" which HUD will consider as strong evidence of compliance:

1. When an eligible LEP language group makes up 5% of the population or reaches 1,000 people, whichever is less, "vital" documents must be translated in writing. Translation of other documents, if needed, can be provided orally.
2. When there are fewer than 50 people in an LEP language group that reaches the 5% trigger, written notice must be given of the right to free oral interpretation.

There is no "safe harbor" for oral interpretation. These safe harbor provisions apply to the translation of written documents only. They do not affect the obligation to provide meaningful access to LEP individuals through competent oral interpreters where the application of the four factor test leads to the determination that oral language services are needed and are reasonable.

C. Developing a Language Assistance Plan

After completing the four-factor analysis and deciding what language assistance services are appropriate, HACoLA should develop an implementation plan to address the identified needs. A Language Assistance Plan ("LAP") that is developed and periodically updated will be the most cost-effective means of documenting compliance. It establishes a framework for the provision of timely and reasonable language assistance. The HUD Final LEP Guidance recommends that the LAP contain certain topics including: (1) the manner in which the recipient will identify LEP individuals who need language assistance; (2) information about the ways in which language assistance will be provided; (3) staff training; (4) identification of vital documents; and (5) providing notice to LEP individuals.⁶ In many ways, a LAP is no different in purpose or scope than a reasonable accommodation policy.

⁵ There are a number of LEP tools and resources on www.lep.gov. Posted on that website is an "I Speak" Language Identification Flashcard, a helpful document developed by the U.S. Department of Commerce, Bureau of the Census. This document is written in 38 languages and can be used to identify the language spoken by an individual accessing services provided by federally assisted programs or activities. It can be accessed directly at <http://www.usdoj.gov/crt/cor/Pubs/ISpeakCards.pdf>. [Lep.gov](http://www.lep.gov) also contains links to other resources including translator and interpreter organizations, cultural competence guides for providing language assistance services, and guidances issued by each federal agency for recipients under their various programs.

⁶ 72 FR 2732 (Jan. 22, 2007) (Appendix B Questions and Answers IX).

An 18-page "Language Assistance Self-Assessment and Planning Tool for Recipients of Federal Financial Assistance" developed under the auspices of the DOJ and an Interagency Task Force is currently available at <http://www.lep.gov/selfassesstool.pdf>. This fill-in-the-blank and check-off format tool walks federal funding recipients through a series of self-assessment questions and planning considerations, and includes a section that provides a framework for a LAP that is responsive to general Title VI requirements.

D. Vital Documents

A vital document is any document that is critical for ensuring meaningful access to the recipients' major activities and programs by beneficiaries generally and LEP persons specifically.⁷ Whether a document is "vital" depends upon two factors: the importance of the program, information, encounter, or service involved, and the consequence to the LEP person if the information in question is not provided accurately or in a timely manner. Generally, documents relating to the major purpose of the federal funding will be considered vital. Applications for ancillary programs, such as certain recreational programs in public housing, would not generally be considered as vital documents.

On March 1, 2007, HUD held a public meeting to discuss the Guidance and identify documents it considered to be vital.⁸ A video of that meeting has been archived and can be accessed through HUD's web site.⁹

The Office of Public and Indian Housing has identified the following documents as "vital": the tenancy addendum for the Section 8 voucher program, Housing Assistance Payment contract, Request for Tenancy Approval, Authorization for Release of Information, Family Self Sufficiency (FSS) Escrow Account worksheet, Voucher, Statement of Homeownership Obligations, FSS Contract of Participation and the document entitled "A Good Place to Live." HUD has already translated the "How Your Rent is Determined" fact sheet.¹⁰ HUD will translate these documents into Spanish, Vietnamese, Haitian, Creole, Hmong, French, Chinese, Cambodian, Korean, Arabic, Russian and Laotian.

For the Office of Multifamily Housing, the only document that is identified as "vital" is the model lease. HUD plans on posting the model lease in 8 languages (Spanish, Chinese, Russian, Vietnamese, Portuguese, Amharic, Korean and French) sometime in the next few months and such leases will include disclaimer language that the translated lease is for informational purposes only. Only the English version of the lease should be executed.

HUD's classification of certain documents notwithstanding, an owner or public housing authority is expected to identify other vital documents that may need to be translated or otherwise communicated in various languages based upon the four factor analysis. For example, a HACoLA's rules and regulations, occupancy rules, warning notices, or eviction notices could be categorized as "vital" and, therefore, would be expected to be translated or interpreted.

There are a number of voluntary compliance agreements on the Fair Housing and Equal Opportunity web site involving Title VI compliance reviews.¹¹ These documents are valuable examples of "vital documents" in programs operated by a public housing authority. In general, in the housing context, any

⁷ *Id.* (Question and Answer X).

⁸ <http://www.hud.gov/webcasts/schedule/index.cfm>.

⁹ <http://www.hud.gov/webcasts/archives>.

¹⁰ <http://www.hud.gov/offices/pih/programs/ph/rhiip/factsheet.cfm>.

¹¹ <http://www.hud.gov/offices/fheo/library>.

document that has the potential for an adverse impact upon the applicant or tenant should be considered a vital document.

3. Public Housing Operating Subsidies.

We are very concerned about the current and future financial status of public housing administered by the Housing Authority of the County of Los Angeles (HACoLA). Operating subsidies for public housing have not been fully funded in prior years as the federal government has been reducing the funding for the agency. The anticipated reduction in operating funds will have and have had an impact on residents and the policies and practices that HACoLA adopts. We are most concerned about the impact on residents, the physical structures and the policies that HACoLA has taken and will continue to have to take to address the funding shortfalls.

For the public housing program, HUD announced last year that under the proposed operating fund rules that HACoLA would have a substantial reduction in funding for operating subsidies. Along with all housing authorities nationwide, HACoLA was funded at 85.5% of the formula last year and it is anticipated that it will receive only 82.9% of the operating subsidy formula need in 2007.

In addition, HACoLA is, we believe, one of the agencies that will see a reduction in overall funding in the switch from the new operating subsidy formula from the old formula. HUD has stated that HACoLA is a decliner agency. HUD posted a chart on the web that showed that HACoLA would receive approximately \$230,000 less under the new formula than the old formula. (The actual loss may be more or less than what was projected.) The operating fund rules provide that this loss of the operating funds experienced by decliner agencies will take place over five years in accordance with a pre established percentage reduction schedule. All decliner public housing authorities that receive less under the new formula than under the old will receive at a minimum a 5% reduction calculated on the basis of the difference between the old formula and the new formula. To avoid the loss of the \$230,000, HACoLA must convert to asset management quickly. Currently, HUD notices provide that the decliner agencies must convert by April 15, 2007 to avoid losing the first phase of the losses.

Request for information or action: Please let us know what activities HACoLA has had to defer or delay because of the cuts in operating subsidy funding. It is important that residents and the public are engaged in the process of how HACoLA is dealing with the shortfalls in funding so as to assist in making choices and to assist in seeking funds from other sources. In addition, we would like to know what steps has HACoLA taken, as a decliner agency, to stop the loss of the operating subsidies? Does HACoLA anticipate that it will be in compliance with the rules for conversion to asset management by April 15, 2007? How has HACoLA grouped the developments or defined them for HUD asset management purposes? Please provide us with a copy of the monthly operating statement for each project. Does HACoLA have any projects which will be considered, non-performing under the HUD asset management criteria? If yes, has HACoLA developed or begun to develop a management plan that addresses the areas of non performance? Please provide us with copies of those plans for each applicable project.

4. Admission Issues.

Is this still an issue if the annual plan states: "The Housing Authority will now admit applicants on parole or probation who are otherwise eligible under HUD regulations."

Exclusion of applicants with shop lifting and traffic related offenses. The proposed Annual Plan at page 8, states that HACoLA currently excludes applicants who are on parole or probation and that this policy is more restrictive than HUD requires. The Annual plan also states that the policy results in the exclusion of

applicants who commit petty crimes such as shop lifting and traffic related offenses. In a letter from Carlos Jackson to the Board of Commissioners, Feb. 28, 2007, Mr. Jackson states that "after much consideration, it has been decided that the policy will remain as is." We appreciate the fact that there was a proposal to modify the policy, and we strongly urge HACoLA to revisit the proposal to change the current policy. Applicants should not be categorically denied because of petty offenses. The proposal should be reconsidered; it should not be rejected prior to obtaining the benefit of the public hearing. There appears to be support in the participant community to modify the policy, as the question was raised by a member of RAB. In addition, advocates for homeless individuals or other agencies that work to place families in affordable housing should be consulted about this policy.

Moreover, the policy excluding all individuals who are on parole or probation should be reconsidered and changed because it is contrary to existing federal law. HACoLA is required to consider applicants based upon their individual characteristics. For public housing, the rules specifically require the following:

In the event of the receipt of unfavorable information with respect to an applicant, consideration shall be given to the time, nature and extent of the applicant's conduct (including the seriousness of the offense).

24 C.F.R. § 960.203(d). Excluding all individuals who are on parole or probation without an inquiry into the individual circumstances violates this rule.

Request for information or action: We urge HACoLA to rescind any policy or practice which results in the automatic denial of families with members who have violated parole or probation for minor offenses.

5. Continued Occupancy Issues.

Attachment E provides that a member of the Section 8 RAB raised a question regarding whether a family could add an adult son or daughter to the lease and the question was answered with a no. This issue required something more than a reiteration of the current policy. The RAB is designed to bring issues to HACoLA and the fact that a resident raises the question in a particular manner should not mean that the agency ignores the policy implications of the question. The policy should be revisited and the issue raised by the RAB member reconsidered. There should be a discussion of the policy considerations for permitting or not permitting families to add adult children to the lease. We believe that families should be able to add adult members of the household to the lease, provided that the addition does not cause over crowding. A failure to allow such additions, deprive HACoLA of increased revenue from the increased income of those additional family members or the increased income that another family member may now have due to the flexibility that the additional member provides with respect to childcare to allow other members to work at better paid jobs or for longer hours, etc. Moreover, allowing adult children to live with the family may be culturally appropriate for some of the minorities that HACoLA serves.

Request for information or action: HACoLA should reconsider the bar on allowing adult children, except those returning from military duty, as provided for in 12.5.1 of the Administrative Plan, from joining or rejoining the family.

6. Public Housing Vacancies.

One of HACoLA's 5 year goals includes reducing housing vacancies. We are concerned about two types of vacancies, those created when a family moves out and those that are longer term. Two of the annual strategies include reducing public housing turnover time and time to renovate public housing units. But the goals and the strategies are vague and do not provide any specifics so as to measure achievement or

progress. The Annual Plan for Fiscal Year 2007-2008 does not provide any information on the average turnover time or time to renovate public housing. The Plan does state that the expected turnover rate will be 270 units. We believe that the average turn over time should not exceed one week. If the average turnover rate were as much as a month, an annual turnover rate of 270 is the equivalent of housing an additional 22 families for the year. Any reduction in the turnover rate means that more families from the waiting list are served in a more timely fashion.

Information or action requested: HACoLA's policy should be to ensure that units are refurbished and rerented on average within a week after they have been vacated. Please let us know how much time, on average, it takes to rent a unit after a tenant vacates. We would also like to know what steps HACoLA is taking to reduce that time.

With respect to the long term vacancies, the information available is not clear or consistent. The Annual Plan states that 2906 families were being served at the beginning of the year. Page 35. The HUD Resident Characteristics Report and the Profile state that there are 2964 units that are subject to an Annual Contributions Contract and 2754 units for which HUD has received a form with tenant information. The difference between the two figures, 210, may be the number of public housing units that are unavailable for reoccupancy in the long term.

We also note that HACoLA is entering into a contract to secure vacant duplex units in Lenox and Compton which had been previously destroyed, 99 units at Ujima Village and units at Carmelitos, Nueva Maravilla and many units in South Central. We could not find in the Attachment C, FY 2006 Capital Fund Program 5 Year Action Plan any line item allocation of funds to address the refurbishment of these long term vacant units so as to bring them back on the rental market.

Information or action requested: We would like to know the number of units that are currently off the market for reason other than normal tenant turnover or will not be available for rental in the near term or that are anticipated to be secured with the "board-up security system." In addition, we want to know what plans, if any, and the timetable for such plans that HACoLA has to return those units to the market.

7. Section 3

The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low- and very low-income persons, *particularly those who are recipients of government assistance for housing*, and to business concerns which provide economic opportunities to low- and very low-income persons. The implementing regulations set forth numerical goals for hiring and training opportunities for low- and very low-income individuals (30% of new hires must be low- or very low-income individuals of the county) by the recipient of housing and community development funds and any contractors. In addition, the regulations set forth goals for contracting by HACoLA or by its contractors with Section 3 businesses. The goals for contracting with Section 3 businesses are 10% of all contracts for building trades work arising from construction and rehabilitation and 3% for other contracts.

We are encouraged to note that HACoLA is seeking with respect to contractors to implement Section 3. In particular, we noted that Section 3 is referenced with respect to the vacant security system contract and video surveillance systems installation. For both of these contracts, the attachments noted the minority/female participation. However, there was no information regarding the permanent staffing of the contractor at the time the bid was made or the contract was signed and whether that contractor anticipated hiring staff during the contract period. This information is key for determining or monitoring

whether the contractor is complying with Section 3. Also, there is no information as to what HACoLA is doing to promote contracts or subcontracts with Section 3 businesses.

The mission of HACoLA includes promoting economic opportunity and one of the five year goals includes increasing the number and percentage of employed persons in assisted families. HACoLA provides in its plan for numerous efforts to achieve that goal. For example, HACoLA has an FSS program and has ROSS grants that provide work force development. However the Plan is silent with respect to Section 3, which may be one of the most powerful tools that the agency has to promote employment opportunities for public housing residents and other low income individuals, including Section 8 voucher recipients. HACoLA will receive in 2007 approximately \$7 million in operating subsidies and more than \$5 million in capital funds. It has an obligation to ensure that 30% of all new hires of HACoLA staff and its contractors are Section 3 persons, and that public housing residents get a preference for those jobs.

Attachment E notes that a member of the Section 8 RAB asked if someone who worked for HACoLA could receive a voucher and the response was "no, that is not permitted." There is no basis for this statement in the Administrative Plan. Moreover, such a policy is not legal. The policy, if it exists, is contrary to the provisions of the Section 3 program which require HACoLA to provide a preference in hiring to individuals who are low income and the statute which emphasizes that recipients of federal housing assistance are especially targeted under Section 3. A current recipient of Section 8 assistance should not be required to choose between housing and exercising their right for a preference for a job with HACoLA. Also, if an individual who works at the agency is eligible for a voucher or to reside in public housing, that individual should be able to apply and receive housing assistance. Of course care should be exercised to ensure that an applicant who is working for the agency does not receive unlawful preferential treatment.

Information or action requested. Please add to the Annual Plan, section 12B, information on HACoLA's Section 3 program. What are HACoLA's Section 3 plans for the coming year? How many new hires does HACoLA anticipate in the coming year? What steps is HACoLA taking to meet the obligation that HACoLA and its contractors ensure that 30% of all new hires are Section 3 persons and that public housing residents get a preference for all jobs derived from federal public housing funding? We would like to know, how many HACoLA staff are Section 3 persons? Attaching to the Annual Plan the HUD Form, 60002, Section 3 Summary Report for 2005, 2006 and 2007, should provide some historical information regarding HACoLA's Section 3 efforts.

Similar questions should be addressed in the Annual plan with respect to Section 3 businesses. What percentage of HACoLA's contracts went to Section 3 businesses in 2006? What percentage and what is the dollar amount of contracts that are anticipated to go to Section 3 businesses in 2007? What is HACoLA doing to identify and work with Section 3 businesses to increase the number and dollar value of their contracts with HACoLA Please provide us with a copy of HUD form 2516, contract and subcontract activity, for 2005, 2006 and 2007.

8. Project-Based Vouchers

The Five Year Plan has been amended to include a reference to the intent to project base vouchers. HACoLA is also required to amend its Administrative Plan to set forth the policy for the selection of sites for such housing. See 24 CFR § 983.57(c).

The annual plan states that the property at 1542 East 85th Street, which formerly had 13 apartment units, will be disposed of. In addition, Attachment G of the Annual Plan states that the initial plan was that six

units of public housing would be developed on the site. Now however the site will be sold to the Community Development Commission for, one dollar. We would urge that the sale be conditioned on the development of affordable rental housing and that HACoLA commit to allocating project based vouchers to that replacement housing. The sale should condition the land to require that any subsequent owner must accept Section 8 vouchers or an offer of a project-based voucher contract.

Attachment G of the Annual Plan discusses how funds will be leveraged to create housing opportunities for fiscal year 2007-2008, within a 15 mile radius of the City of Industry. HACoLA has also adopted resolutions for the issuance of multifamily revenue bonds for multifamily housing in East Los Angeles. See Minutes of the Jan. 24, 2007 meeting. There is no discussion in either document regarding whether these "affordable" units will be affordable to the lowest income families at a rent of 30% of adjusted income. If the units will not be affordable to those families, we are interested in knowing how many project based vouchers have been and will be attached to those developments to ensure that they are affordable to the lowest income families at a rent that does not exceed 30% of adjusted income? In addition, we are interested in knowing whether there is a contractual agreement with the City of Industry and/or the developers/owners of that housing and the housing subject to the revenue bonds stating that they will accept Section 8 vouchers and project based vouchers, if offered?

Information or action requested: When will HACoLA amend its administrative plan to comply with the site selection criteria provisions of the project based Section 8 program? What criteria will it adopt for the selection of sites? We are interested in being notified of and assisting with the development of those rules. We urge HACoLA condition the sale of property, such as the property at 1542 East 85th Street, to ensure that the new and future owners accept Section 8 vouchers and/or project based Section 8. We urge HACoLA to use the project based Section 8 authority in any new developments that it is engaged in that are not affordable to the lowest income families at 30% of their adjusted income.

9. RAB Membership and Outreach Activities

Attachment F to the Annual Plan for Fiscal Year 2007-2008 is entitled Membership of Resident Advisory Board (RAB) and Outreach Efforts. This attachment states that there were three RAB meeting of public housing residents at Nueva Maravilla, which were all held at 9:00 AM on a weekday and that at meeting one there were 21 residents in attendance and at meeting three there were 15 public housing residents in attendance. There is no indication of the number of public housing residents in attendance at meeting two.

There were four RAB meetings for the Section 8 voucher participants, three at the Whittier Community Resources Center and one at the Section 8 Administrative offices. All of these meetings began at 11:00 AM on a weekday. The number of Section 8 participants in attendance at the meetings varied between four and six participants.

Information or action requested: HUD regulations require that the names of the RAB members must be attached to the annual plan. Public Housing Agency [PHA] Plan, Desk Guide ¶ 3.19.2. In addition it is important that the RAB members "adequately reflect and represent the residents assisted by the PHA." 24 C.F.F. § 903.13. Please provide the list of RAB members and for the public housing participants identify which development the resident is from or whether the participant is a Section 8 recipient and whether the resident is a member of an elderly, disabled or non-elderly or non-disabled family.

Sincerely,

Stephanie Haffner

Neighborhood Legal Services

Elaine Chen
Neighborhood Legal Services

Catherine Bishop
National Housing Law Project

Louis Rafti
Public Counsel Law Center

cc: Carlos Jackson, Executive Director
Housing Authority of the County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

Kerrin Cardwell
Section 8 Administrative Office
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Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 25, 2007

Honorable Housing Commissioners
Housing Authority of the County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

Dear Commissioners:

**APPROVE FUNDING OF HOUSING AUTHORITY PROJECTS WITH FISCAL YEAR
2007-2008 COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
(ALL DISTRICTS)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Recommend that the Board of Commissioner find that the approval of funding for Housing Authority projects is not subject to the California Environmental Quality Act (CEQA) it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioner authorize the Executive Director of the Housing Authority (Executive Director) to accept from the County of Los Angeles an estimated \$4,591,896 in Fiscal Year 2007-2008 (July 1, 2007 to July 30, 2008) Community Development Block Grant (CDBG) funds, as identified in the Housing Authority portion of the Los Angeles Urban County Fiscal Year 2007-2008 One-Year Action Plan (Action Plan) for the allocation of federal funds by the County of Los Angeles; and authorize the Executive Director to use these funds for capital improvements and services for public housing program residents.
3. Recommend that the Board of Commissioner authorize the Executive Director of the Housing Authority to request the incorporation of \$4,591,896 into the Housing Authority's Fiscal Year 2007-2008 budget through the Housing Authority's annual budget approval process, subject to final notification by the U.S. Department of Housing and Urban Development (HUD).



4. Recommend that the Board of Commissioners authorize the Executive Director or his designee to execute CDBG Reimbursable Contracts with the County of Los Angeles, attached in substantially final form, to provide funding for the activities described herein, to be effective following approval as to form by County Counsel and execution by all parties.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The National Affordable Housing Act (NAHA) of 1990 (Cranston/Gonzalez Housing Act), as amended in 1992, requires that the County submit a five-year Consolidated Plan for the expenditure of CDBG funds. The Consolidated Plan includes an Action Plan that must be updated each year to define projects and programs to be carried out over a one-year period.

Following approval by the Board, the Action Plan will be submitted to HUD by June 1, 2007.

FISCAL IMPACT/FINANCING:

There is no impact on the County general fund. The Fiscal Year 2007-2008 Action Plan includes CDBG funds totaling an estimated \$55,332,835 comprised of new funds, prior years' funds, and anticipated program income. These funds will be allocated to the five Supervisorial Districts, forty-seven participating cities, the Housing Authority, and approximately fifty-six non-profit entities to implement the projects and programs described therein.

The Action Plan includes twenty-three Housing Authority projects receiving \$4,591,896 in Fiscal Year 2007-2008 CDBG funds, which will be incorporated through the Housing Authority's Fiscal Year 2007-2008 annual budget approval process, subject to final notification by the U.S. Department of Housing and Urban Development.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On May 23, 2006, the Board approved the Fiscal Year 2006-2007 Action Plan. The current Action Plan ends on June 30, 2007, and a new Action Plan must be adopted by the Board to receive continued funding from HUD. The Fiscal Year 2007-2008 Action Plan includes a description of the activities to be undertaken during the year to address the objectives of the Consolidated Plan's five-year strategy, including the following Housing Authority projects:

	PROJECTS	
Project Title (District)	Project Description	Funding
Law Enforcement Gang Suppression – Nueva Maravilla (First)	Expanded supplemental law enforcement services that focus on the gang problem at the Nueva Maravilla housing development	\$30,000

	PROJECTS	
Project Title (District)	Project Description	Funding
Sheriff's Youth Intervention Program for Nueva Maravilla (First)	Recreational and physical activities for public housing youth. Sheriffs to provide crime and drug intervention/prevention activities at the Nueva Maravilla housing development.	\$80,000
Youth In Focus Nueva Maravilla and Sundance Vista (First)	Photography program for at-risk youth that reside at the Maravilla and Sundance Vista Housing Developments, consisting of a curriculum that includes instruction on the technical aspects of photography. Program will serve age groups 8-21	\$38,000
Nueva Maravilla Termite Abatement I (First)	Termite abatement and elimination of dry rot by repairing the wood components in resident units and common areas at Maravilla.	\$500,000
Nueva Maravilla Termite Abatement II (First)	Termite abatement and elimination of dry rot by repairing the wood components in resident units and common areas.	\$200,000 (Float Loan PI)
Law Enforcement Gang Suppression – Ujima & South Scattered Sites (Second)	Expanded supplemental law enforcement services that addresses the gang activity at the Ujima and South Scattered Sites housing developments	\$30,000
Bright Futures Childcare Rehabilitation (Second)	Development of the Bright Futures Child Care Center which includes rebuilding modular units that serve as a child care center operated by the L.A. Child Development Consortium. Upon completion, the facility will serve 92 children.	\$253,000
Youth In Focus – South Scattered Sites (Second)	Photography program for at-risk youth that reside at the South Scattered Sites Housing Developments consisting of a curriculum that includes instruction on the technical aspects of photography. Program will serve age groups 8-21.	\$15,000
Mary B. Henry Telemedicine Clinic (Second)	Operates as a satellite clinic of the Wilmington Community Clinic. Medical services, including pediatrics, tele-pediatric dermatology, child health, immunization will be provided to residents of the South Scattered Sites, and low-income families in surrounding communities.	\$90,000
South Scattered Sites Termite Abatement (Second)	Termite abatement and elimination of dry rot by repairing wood components in resident's units at three South Scattered Sites.	\$200,000 (Float Loan PI)

	PROJECTS	
Project Title (District)	Project Description	Funding
Carmelitos Stairways Renovation I (Fourth)	Repair and rehabilitation of stairways in 469 family units at the Carmelitos housing development.	\$250,000
Carmelitos Stairways Renovation II (Fourth)	Repair and rehabilitation of stairways in 469 family units at the Carmelitos housing development.	\$1,000,000 (Float Loan PI)
Law Enforcement Gang Suppression – Harbor Hills and Carmelitos (Fourth)	Expanded supplemental law enforcement services that focus on the gang activity at the Carmelitos and Harbor Hills housing developments.	\$30,000
Family Learning Center (Fourth)	Supportive services such as English as a Second Language (ESL), open computer lab assistance, computer literacy classes, computer-based educational programs, homework assistance, arts and crafts and learning activities. Centers located at Carmelitos & Harbor Hills Housing Developments.	\$151,808
Youth In Focus – Carmelitos and Harbor Hills	Photography program for at-risk youth that reside at the Carmelitos and harbor Hills Housing Developments consisting of a curriculum that includes instruction on the technical aspects of photography. Program will serve age groups 8-21.	\$20,000
Palms/West Knoll ADA Compliance (Fifth)	Upgrade thirteen (13) bathrooms at the Foothill Villa housing development and Palms Apartments up to code and ADA compliance (ADA standards).	\$540,000 (Float Loan PI)
Foothill Villa Flooring (Fifth)	Replacement of flooring surfaces on all 62 units at the Foothill Villa housing development	\$60,000 (Float Loan PI)
Quartz Hills I and II Property Improvements (Fifth)	Provide property improvements including re-surfacing of the parking lots and landscaping at both Quartz Hills I and II.	\$100,000
University of California Cooperative Extension Program (Countywide)	Nutrition education program for seniors at the following housing developments: Maravilla, Francisquito Villa, Herbert Apartments, Southbay Gardens, Marina Manor I & II, West Knoll Apartments, Palm Apartments, King's Road, Harbor Hills, Carmelitos, Sundance Vista, Whittier Manor, Orchard Arms, Foothill Villa and Lancaster Homes.	\$50,000

	PROJECTS	
Project Title (District)	Project Description	Funding
Family Resource Centers (Countywide)	Supportive and clinical services for 200 residents such as: family and individual counseling, academic and career counseling, classes or programs on parenting skills, grief counseling, youth leadership, conflict resolution, drug awareness and truancy prevention.	\$257,068
Bright Futures Childcare Rehabilitation (Countywide)	Development of the Bright Futures Child Care Center. Which includes rebuilding of modular units that serve as a child care center operated by the L.A. Child Development Consortium. Upon completion, the facility will serve 92 children.	\$280,000
Service Learning Programs (Countywide)	Provides learning programs to public housing residents through the support of college students in the areas of after-school tutoring and mentoring, recreation, senior services, workforce development and educational workshops.	\$72,500
Resident Service Program (Countywide)	This new project provides the delivery of supportive resident services programs to public housing residents. Provides Resident Services programs including creative arts, youth leadership, senior services, workforce development, recreation and community events.	\$344,520
	TOTAL:	\$4,951 896

All public noticing required under 24 Code of Federal Regulations Part 91, Section 91.105 of the NAHA for approval of the Action Plan will have been satisfied prior to the presentation to the Board. A total of four community meetings were held in September and October 2006. Comments received at these meetings were incorporated into the Action Plan and posted on the Commission's website in early April 2007 to update the public regarding the comments received at these meetings.

Notice of the 30-day public comment period and public hearing was published on April 20, 2007 in newspapers of general circulation throughout the County, and copies of the proposed Action Plan are available for public review at twenty-nine libraries. The public comment period will conclude on May 22, 2007, the day of the public hearing, and convened by the Board for approval of the Action Plan.

All of the projects proposed in the Action Plan are being federally-funded. As applicable, the administering agencies will be subject to the prevailing wage requirements of the

Davis-Bacon Act and related Acts and Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance. However, where Section 3 is not applicable, the agencies will be subject to the County's Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program, which furthers the same or similar goals.

Detailed descriptions and funding allocations of Housing Authority projects receiving Fiscal Year 2007-2008 CDBG funds, a sample standard CDBG Reimbursable Contract, and a sample standard CDBG Reimbursable Contract Amendment to be used for the various projects and activities described in the Action Plan, are provided as Attachments A, B, and C, respectively.

This letter has been reviewed by County Counsel. CDBG Reimbursable Contracts and the CDBG Reimbursable Contract Amendment will be effective following approval as to form by County Counsel and execution by all parties.

ENVIRONMENTAL DOCUMENTATION:

The approval of funding for Housing Authority projects is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(1), because it involves planning activities that will not alter existing environmental conditions. The approval is not subject to the provisions of the California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

All of the funding approved by this action will be reviewed for environmental impact on a project-by-project basis before funding is released.

IMPACT ON CURRENT SERVICES AND PROJECTS:

The projects contained in the Action Plan, including the Housing Authority projects, will benefit low- and moderate-income residents throughout the County of Los Angeles.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

Attachments: 3
CJ:BG:mr

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT Law Enforcement Gang Suppression (1st District) 600934	<u>0</u> 0 (T)	<u>30,000</u> (New) 30,000 (T)	This new project will provide expanded supplemental law enforcement services that will focus on the gang problems in the following housing developments within the first district: Nueva Maravilla and Sundance Vista. FY 2006-2007 Goals: -N/A: Not funded in FY 2006-2007 FY 2006-2007 Accomplishments: - N/A: Not funded in FY 2006-2007 FY 2007-2008 Goals: - Serve 400 unduplicated persons.
STRATEGIC AREA East Los Angeles South Whittier INVESTMENT LEVEL II, III, IV			

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT Sheriff's Youth Activities at Maravilla (1st District) 600999	<u>0</u> 0 (T)	<u>80,000</u> (New) 80,000 (T)	This new program focuses on establishing a strong sense of self esteem in the community's young people by providing positive and desirous alternatives in safe environment where they can develop the scholastic and social skills that will allow them to step into the mainstream of society with confidence as they reach adulthood. FY 2006-2007 Goals: -Serve 300 unduplicated persons. FY 2006-2007 Accomplishments: -Served 300 unduplicated persons. FY 2007-2008 Goals: -Serve 400 unduplicated persons.
STRATEGIC AREA East Los Angeles South Whittier INVESTMENT LEVEL II, III, IV			

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT Nueva Maravilla Termite Abatement I (1st District) 601002 STRATEGIC AREA East Los Angeles INVESTMENT LEVEL III	<u>500,000</u> 500,000 (T)	<u>500,000</u> (New) 500,000 (T)	This new project will provide termite abatement and eliminate dry rot by repairing the wood in residents' units and common areas at the Nueva Maravilla housing development. The termites at Nueva Maravilla are causing extensive damage to the property. FY 2006-2007 Goals: - Provide services to 510 housing units FY 2006-2007 Accomplishments: - Provided services to 510 housing units FY 2007-2008 Goals: - Provide services to 510 housing units

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
OFFICE OF COMMUNITY AND EDUCATIONAL PARTNERSHIPS Youth in Focus - Nueva Maravilla & Sundance Vista (1st District) 600065 STRATEGIC AREA East Los Angeles South Whittier INVESTMENT LEVEL II, III, IV	<u>29,485</u> 29,485 (T)	<u>38,000</u> (New) 38,000 (T)	This project serves low- and moderate- income youth residing at Nueva Maravilla Housing Development, its surrounding community, and the Sundance Vista Housing Development. The project provides instruction on the technical aspects of photography while encouraging the medium as a means of artistic expression and as a viable career FY 2006-2007 Goals: - Provide instruction to 60 unduplicated persons. FY 2006-2007 Accomplishments: - Provided instruction to 60 unduplicated persons. - Expanded program offerings to include digital photography. FY 2007-2008 Goals: - Provide instruction to 60 unduplicated persons.

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
OFFICE OF EXECUTIVE MANAGEMENT Mary B. Henry Telemedicine Clinic (2nd District) 600704 STRATEGIC AREA Athens / West Athens / Westmont East Compton Willowbrook Graham - Firestone Florence INVESTMENT LEVEL II, III, IV	<u>80,000</u> 80,000 (T)	<u>90,000</u> 90,000 (T)	This projects supports the operation of the Mary B. Henry Telemedicine Clinic, a satellite clinic of the Wilmington Community Clinic. Medical services will be provided to the residents of the South Scattered Sites and Ujima Village housing developments and low- to moderate-income families residing in the surrounding communities. FY 2006-2007 Goals: -Serve 300 unduplicated persons. FY 2006-2007 Accomplishments: -Served 300 unduplicated persons. FY 2007-2008 Goals: -Serve 350 unduplicated persons.

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
OFFICE OF EXECUTIVE MANAGEMENT Bright Futures Child Care Rehabilitation II (2nd District) 600890 STRATEGIC AREA Athens / West Athens / Westmont INVESTMENT LEVEL III, IV	<u>220,000</u> 220,000 (T)	50,000 (New) <u>203,000</u> (CO) 253,000 (T)	This project provides funds from the Second Supervisorial District for construction and administrative costs associated with the development of the Bright Futures Child Development Center, located at 10911 South Vermont Avenue in the Second Supervisory District. FY 2006-2007 Goals: - Rebuild an existing facility to accommodate the Bright Futures Child Care Center FY 2006-2007 Accomplishments: - No facility rebuilt. FY 2007-2008 Goals: - Rebuild an existing facility to accommodate the Bright Futures Child Care Center

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 REC'D FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT Law Enforcement - Gang Suppression (2nd District) 600999	<u>0</u> 0 (T)	<u>30,000</u> (New) 30,000 (T)	This is a new project that will provide supplemental law enforcement services that will focus on the gang problem at specific housing developments located in the Second Supervisorial District. FY 2006-2007 Goals: - N/A: Project not funded in FY 2006-2007. FY 2006-2007 Accomplishments: - N/A: Project not funded in FY 2006-2007. FY 2007-2008 Goals: - Serve 200 unduplicated persons.
STRATEGIC AREA Athens / West Athens / Westmont			
INVESTMENT LEVEL II			

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 REC'D FUNDING	PROJECT DESCRIPTION COMMENTS
OFFICE OF COMMUNITY AND EDUCATIONAL PARTNERSHIPS Youth in Focus - South Scattered Sites (2nd District) 600745	<u>10,000</u> 10,000 (T)	<u>15,000</u> (New) 15,000 (T)	This is a continuing program for at-risk youth that reside within South Scattered Sites Housing Developments. The youth will participate in a photography program consisting of a curriculum that includes instruction of the technical aspects of photography, while encouraging the medium as a means of expression and as a viable career. FY 2006-2007 Goals: - Serve 100 unduplicated persons. FY 2006-2007 Accomplishments: - Served 100 unduplicated persons. FY 2007-2008 Goals: - Serve 100 unduplicated persons.
STRATEGIC AREA N/A			
INVESTMENT LEVEL N/A			

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT Law Enforcement - Gang Suppression (4th District) 600998 STRATEGIC AREA Lomita & Long Beach (locations) INVESTMENT LEVEL N/A	<u>0</u> 0 (T)	<u>30,000</u> (New) 30,000 (T)	This new project will provide expanded supplemental law enforcement services that will focus on the gang problems at specific housing development sites in the Fourth District including: Harbor Hills and Carmelitos. FY 2006-2007 Goals: - N/A: Project not funded in FY 2006-2007. FY 2006-2007 Accomplishments: - N/A: Project not funded in FY 2006-2007. FY 2007-2008 Goals: - Serve 400 unduplicated persons.

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT Carmelitos Stairway Renovations (4th District) 601000 STRATEGIC AREA Long Beach (location only) INVESTMENT LEVEL NA	<u>0</u> 0 (T)	<u>250,000</u> (New) 250,000 (T)	This new project will repair and renovate unsafe stairways at the Carmelitos Housing Development. FY 2006-2007 Goals: - N/A: Project not funded in FY 2006-2007. FY 2006-2007 Accomplishments: - N/A: Project not funded in FY 2006-2007. FY 2007-2008 Goals: - Provide repair and renovation services to benefit 558 housing units.

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
OFFICE OF COMMUNITY AND EDUCATIONAL PARTNERSHIPS Family Learning Centers (4th District) 600943 STRATEGIC AREA Long Beach and Lomita (locations only) INVESTMENT LEVEL N/A	<u>342,046</u> 342,046 (T)	<u>151,808</u> (New) 151,808 (T)	This continuing project provides supportive resident services through the Family Learning Centers. Services include computer literacy classes, English as a Second Language (ESL), open computer lab assistance, computer-based educational programs, homework assistance, arts and crafts and learning activities. The services are provided through the family Learning Centers located at Carmelitos and Harbor Hills housing developments. FY 2006-2007 Goals: - Serve 350 unduplicated persons. FY 2006-2007 Accomplishments: - Served 350 unduplicated persons. FY 2007-2008 Goals: - Serve 350 unduplicated persons.

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
OFFICE OF COMMUNITY AND EDUCATIONAL PARTNERSHIPS Youth in Focus - Carmelitos and Harbor Hills (4th District) 600310 STRATEGIC AREA Long Beach and Lomita (locations only) INVESTMENT LEVEL N/A	<u>10,000</u> 10,000 (T)	<u>20,000</u> (New) 20,000 (T)	This is a continuing program for at-risk youth that reside within South Scattered Sites Housing Developments. The youth will participate in a photography program consisting of a curriculum that includes instruction of the technical aspects of photography, while encouraging the medium as a means of expression and as a viable career. FY 2006-2007 Goals: -Serve 48 unduplicated persons. FY 2006-2007 Accomplishments: -Served 48 unduplicated persons. FY 2007-2008 Goals: -Serve 48 unduplicated persons.

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT Quartz Hills I & II Property Improvements (5th District) 601013	<u>0</u> 0 (T)	<u>100,000</u> (New) 100,000 (T)	This new project will provide property improvements including re-surfacing of of the parking lots and landscaping at both Quartz Hills I and II. The current parking lots are deteriorating and need to be repaired. FY 2006-2007 Goals: - N/A: Project not funded in FY 2006-2007. FY 2006-2007 Accomplishments: - N/A: Project not funded in FY 2006-2007. FY 2007-2008 Goals: - Provide rehabilitative services to 50 housing uits.
STRATEGIC AREA Quartz Hills INVESTMENT LEVEL II			

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT Family Resource Centers (Countywide) 600687	<u>394,051</u> 394,051 (T)	<u>257,068</u> (New) 257,068 (T)	This project provides supportive resident / tenant services such as: family and individual counseling, academic and career counseling, classes and programs on parenting skills, youth leadership, senior services, conflict resolution, drug awareness, and truancy prevention at Harbor Hill, Carmelitos, Sundance Vista, South Scattered Sites, and Nueva Maravilla housing developments. FY 2006-2007 Goals: -Serve 400 unduplicated persons. FY 2006-2007 Accomplishments: -Served 400 unduplicated persons. FY 2007-2008 Goals: -Serve 260 unduplicated persons.
STRATEGIC AREA Countywide INVESTMENT LEVEL N/A			

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 REC'D FUNDING	PROJECT DESCRIPTION COMMENTS
OFFICE OF COMMUNITY AND EDUCATIONAL PARTNERSHIPS Service Learning Programs (Countywide) 600939 STRATEGIC AREA Countywide INVESTMENT LEVEL N/A	<u>0</u> 0 (T)	<u>72,500</u> (New) 72,500 (T)	This new project provides the delivery of service learning programs to public housing residents through the support of college students in the areas of after-school tutoring and mentoring, recreation, senior services, workforce development, and educational workshops. and moderate-income area. FY 2006-2007 Goals: - N/A: Project not funded in FY 2006-2007. FY 2006-2007 Accomplishments: - N/A: Project not funded in FY 2006-2007. FY 2007-2008 Goals: - Serve 200 unduplicated persons.

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 REC'D FUNDING	PROJECT DESCRIPTION COMMENTS
OFFICE OF COMMUNITY AND EDUCATIONAL PARTNERSHIPS Resident Services Programs (Countywide) 600938 STRATEGIC AREA Countywide INVESTMENT LEVEL N/A	<u>0</u> 0 (T)	<u>344,520</u> (New) 344,520 (T)	This new project provides the delivery of supportive resident service programs to public housing residents. Resident service programs include recreation, creative arts, youth leadership, senior services, workforce development, and community events. Many of these programs are through collaboration with community partners. FY 2006-2007 Goals: - N/A: Project not funded in FY 2006-2007. FY 2006-2007 Accomplishments: - N/A: Project not funded in FY 2006-2007. FY 2007-2008 Goals: - Serve 1,300 unduplicated persons.

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT University of California Cooperative Extension - Senior Nutrition Priograms (Countywide) 601009	<u>0</u> 0 (T)	<u>50,000</u> (New) 50,000 (T)	This new project will allow the University of California Cooperative Extension to provide a nutrition education program for seniors at Nueva Maravilla housing development, Francisquito Villa, Herbert Apartments, Southbay Gardens, Marina Manor I and II, West Knoll Apartments, Palm Apartments, Kings Road, Harbor Hills, Carmelitos, Sundance Vista, Whittier Manor, Orchard Arms, Foothill Villa and Lancaster Homes. FY 2006-2007 Goals: - N/A: Project not funded in FY 2006-2007. FY 2006-2007 Accomplishments: - N/A: Project not funded in FY 2006-2007. FY 2007-2008 Goals: - Serve 200 unduplicated persons.
STRATEGIC AREA Countywide			
INVESTMENT LEVEL N/A			

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
OFFICE OF EXECUTIVE MANAGEMENT Bright Futures Child Care Rehabilitation I (Countywide) 600889	<u>220,000</u> 220,000 (T)	50,000 (New) <u>230,000</u> (CO) 280,000 (T)	This project provides funds from the Second Supervisorial District for construction and administrative costs associated with the development of the Bright Futures Child Development Center, located at 10911 South Vermont Avenue in the Second Supervisory District. FY 2006-2007 Goals: - Rebuild an existing facility to accommodate the Bright Futures Child Care Center FY 2006-2007 Accomplishments: - No facility rebuilt. FY 2007-2008 Goals: - Rebuild an existing facility to accommodate the Bright Futures Child Care Center
STRATEGIC AREA Athens / West Athens / Westmont			
INVESTMENT LEVEL III, IV			

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT Carmelitos Stairways II (Float Loan Program Income) 601001 STRATEGIC AREA Long Beach (location only) INVESTMENT LEVEL N/A	0 0 (T)	1,000,000 (New) 1,000,000 (T)	This new project will replace the stairways at 469 family units at the Carmelitos Housing Development. The existing stairways are deteriorating and need to be rehabilitated. The current condition of the stairways pose a hazard to the residents. FY 2006-2007 Goals: - N/A: Project not funded in FY 2006-2007. FY 2006-2007 Accomplishments: - N/A: Project not funded in FY 2006-2007. FY 2007-2008 Goals: - Rehabilitate stairways that serve 469 family residential units.

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT Foothill Villa Flooring (Float Loan Program Income) 601006 STRATEGIC AREA La Cresenta INVESTMENT LEVEL N/A	0 0 (T)	60,000 (New) 60,000 (T)	This new project will replace the flooring surfaces at all the 62 units at the Foothill Villa housing development. The existing flooring is deteriorating and needs to be replaced. FY 2006-2007 Goals: - N/A: Project not funded in FY 2006-2007. FY 2006-2007 Accomplishments: - N/A: Project not funded in FY 2006-2007. FY 2007-2008 Goals: - Replace flooring surfaces in 62 housing units.

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT Nueva Maravilla Termite Abatement II (Float Loan Program Income) 601003	<u>0</u> 0 (T)	<u>200,000</u> (New) 200,000 (T)	This new project will provide termite abatement and eliminate dry rot by repairing repairing the wood in residents' units and common areas at the Nueva Maravilla housing development. The termites at Nueva Maravilla are causing extensive damage to the property. FY 2006-2007 Goals: - N/A: Project not funded in FY 2006-2007. FY 2006-2007 Accomplishments: - N/A: Project not funded in FY 2006-2007. FY 2007-2008 Goals: - Service one (1) housing development.
STRATEGIC AREA East Los Angeles INVESTMENT LEVEL III			

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 RECMD FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT Palms / West Knoll ADA Compliance (Float Loan Program Income) 601008	<u>0</u> 0 (T)	<u>540,000</u> (New) 540,000 (T)	This new project will bring thirteen bathrooms at the West Knoll housing development and Palms apartments up to code. The bathrooms are currently not Americans with Disabilities Act (ADA) compliant. FY 2006-2007 Goals: - N/A: Project not funded in FY 2006-2007. FY 2006-2007 Accomplishments: - N/A: Project not funded in FY 2006-2007. FY 2007-2008 Goals: - Service 13 housing units
STRATEGIC AREA West Hollywood (location only) INVESTMENT LEVEL N/A			

OPERATING AGENCY PROJECT TITLE	FY 06-07 FUNDING	FY 07-08 REC'D FUNDING	PROJECT DESCRIPTION COMMENTS
HOUSING MANAGEMENT South Scattered Sites Termite Abatement II (Float Loan Program Income) 601005	<u>0</u> 0	<u>200,000</u> (New) 200,000 (T)	This new project will provide termite abatement and eliminate dry rot by repairing the wood in residents' units at three South Scattered Sites. The termites at these South Scattered Sites are causing extensive damage to the property. FY 2006-2007 Goals: - N/A: Project not funded in FY 2006-2007. FY 2006-2007 Accomplishments: - N/A: Project not funded in FY 2006-2007. FY 2007-2008 Goals: - Provide termite abatement to 26 housing units.
STRATEGIC AREA Athens / West Athens / Westmont INVESTMENT LEVEL IV			

**COUNTY OF LOS ANGELES
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
REIMBURSABLE CONTRACT**

PROJECT TITLE:

PROJECT NUMBER:

CONTRACT NUMBER:

THIS CONTRACT is made and entered into this «Date» day of «Month», by and between the County of Los Angeles, hereinafter called the "County," acting by and through the Executive Director of the Community Development Commission of the County of Los Angeles, and «Agency_Name», hereinafter called the "Operating Agency."

WITNESSETH THAT:

WHEREAS, the County has entered into a Contract with the United States of America, through its Department of Housing and Urban Development (HUD), to execute the County's Community Development Block Grant (CDBG) Program, which includes the project described herein, under the Housing and Community Development Act of 1974 ("Act"), as amended; and

WHEREAS, Operating Agency desires to participate in said CDBG program and is qualified by reason of experience, preparation, organization, staffing and facilities to provide the services and implement the project described herein.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and the mutual benefits to be derived therefrom, the parties agree as follows:

1. CONTRACT. This Contract consists of this document and attachments: Exhibit A, Project Description and Activity Budget, and Exhibit B, Insurance Requirements.
2. CONTRACT ADMINISTRATION. The Executive Director (Executive Director) of the Community Development Commission of the County of Los Angeles (Commission), or his designee, shall have full authority to act for County in the administration of this Contract consistent with the provisions contained herein.
3. SCOPE OF SERVICES. The Operating Agency is to perform all the services set forth in the Exhibit A, Project Description and Activity Budget.
4. TIME OF PERFORMANCE. Operating Agency shall commence the services described herein on the date first above written, and shall complete same by no later than .
5. COMPENSATION AND METHOD OF PAYMENT. For satisfactory performance under this Contract, County shall reimburse Operating Agency an amount not to exceed dollars («FY Budget Amount»), which shall constitute full and complete compensation hereunder for the implementation of

the project described in Exhibit A. Said reimbursement will only be paid out of funds received from the federal government under the Act for the Fiscal Year or from program income, as described in 24 CFR 570.504 accumulated under said program, for allowable costs actually incurred for the express purposes specified. The parties understand and agree that such reimbursement, if any, shall be conditioned upon receipt of said funds by the County from the federal government or accumulation of program income from said program, and shall not be a charge against any other funds of the County. Funds shall be paid only after submittal of the electronic payment request form. This payment request form must be submitted on a minimum of a monthly basis as specified and provided by the Community Development Commission (CDC), County of Los Angeles. Said payment request shall give the total of said cash expenses paid during the monthly reporting period and shall also itemize the same in detail conforming to the budget required by Section 6 of this Contract. After timely receipt and approval of each payment request form, the Commission will draw a check in favor of the Operating Agency in the approved amount

Operating Agency shall have no claim against the County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Operating Agency after the expiration or other termination of this Contract. Should Operating Agency receive any such payment, it shall immediately notify the County and immediately repay all such funds to the County. Payment by the County for services rendered after expiration and/or termination of this Contract shall not constitute a waiver of the County's right to recover such payment from Operating Agency. This provision shall survive the expiration or other termination of this Contract.

6. BUDGET SECTION. No more than the amounts specified in the Project Description and Activity Budget, Exhibit A to this Contract, which is attached hereto and incorporated herein by this reference in paragraph 3, may be spent for the separate cost categories specified in Exhibit A without written approval of the County.
7. COMPLIANCE WITH LAWS. All parties agree to be bound by all applicable Federal, State, and local laws, ordinances regulations and directives as they pertain to the performance of this Contract. This Contract is subject to and incorporates the terms of the Act; 24 CFR Part 570; U.S. Office of Management and Budget (OMB) Circulars A-110 and A-122; OMB Circular A-133 Compliance Supplement and the County Auditor-Controller Contract Accounting and Administration Handbook. The Catalog of Federal Domestic Assistance (CFDA) number assigned to the Community Development Block Grant Program is 14.218.

The Operating Agency shall comply with applicable uniform administrative requirements, as described in 24 CFR 570.502. The Operating Agency shall carry out each activity in compliance with all Federal laws and regulations described in 24 CFT Part 570, Subpart J, except that:

- i. The Operating Agency does not assume the County environmental responsibilities described in 24 CFR 570.604; and
- ii. The Operating Agency does not assume the County's responsibility for initiating the review process under Executive Order 12372.

Operating Agency agrees to be bound by applicable federal, state and local laws, regulations and directives as they pertain to the performance of the Contract, including, but not limited to, Sections a-g below. This Contract is subject to and incorporates the terms of the Housing and Community Development Act of 1974, as amended by the Cranston-Gonzales National Affordable Housing Act, 1990 and the 24 CFR Part 85.

- a. Operating Agency shall comply with the Civil Rights Act of 1964 Title VI which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
- b. Operating Agency shall comply with Section 109 of the Housing and Community Development Act of 1974 which states that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.
- c. Operating Agency shall comply with Executive Orders 11246 and 11375, Equal Opportunity in Employment, which requires that during the performance of this Contract, the Operating Agency will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Operating Agency will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Operating Agency agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.

The Operating Agency will, in all solicitations or advertisements for employees placed by or on behalf of the Operating Agency, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

The Operating Agency will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency of the Operating Agency's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Operating Agency will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

The Operating Agency will furnish all information and reports required by the Executive Orders and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Commission and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

In the event the Operating Agency fails to comply with the non-discrimination clauses of this Contract or with any of such rules, regulations or orders, this Contract may be canceled, terminated or suspended in whole or in part, and the Operating Agency may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Orders and such other sanctions may be imposed and remedies invoked as provided in the Executive Orders or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

The Operating Agency will include the provisions of these paragraphs in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of the Executive Order No. 11246 of September 24, 1965, that such provisions shall be binding upon each subcontractor or vendor. The Operating Agency will take such actions with respect to any subcontract or purchase order as the County may direct as a means of enforcing such provisions including sanctions for noncompliance, provided however, that in the event the Operating Agency becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the County, the Operating Agency may request the United States to enter into such litigation to protect the interests of the United States.

- d. Should the Operating Agency require additional or replacement personnel after the effective date of this Contract, the Operating Agency shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. The Operating Agency shall contact the County's

GAIN/GROW Division at (626) 927-5354 for a list of GAIN/GROW participants by job category.

- e. The Operating Agency is prohibited by the Department of Interior and Related Agencies Appropriations Act, known as the Byrd Amendments, and HUD's 24 CFR Part 87, from using federally appropriated funds for the purpose of influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, loan or cooperative Contract, and any extension, continuation, renewal, amendment or modification of said documents.

The Operating Agency must certify in writing that it is familiar with the Federal Lobbyist Requirements and that all persons and/or subcontractors acting on behalf of the Operating Agency will comply with the Federal Lobbyist Requirements.

Should the Operating Agency or persons/subcontractors acting on behalf of the Contract fail to fully comply with the Federal Lobbyist Requirements civil penalties shall result.

- f. Operating Agency and each County lobbyist or County lobbyist firm, as defined in Los Angeles County Code Chapter 2.160 (County Ordinance 93-0031), retained by the Operating Agency, shall fully comply with the requirements as set forth in said County Code Chapter. The Operating Agency must also certify in writing that it is familiar with the Los Angeles County Code Chapter 2.160 and that all persons acting on its behalf will comply with the County Code requirements.

Failure on the part of the Operating Agency and/or its Lobbyist(s) to fully comply with said County Lobbyist requirements shall constitute a material breach of the Contract upon which the County may immediately terminate this Contract, and the Operating Agency shall be liable for any and all damages incurred by the County and/or any federal agency as a result of such breach.

- g. The County ensures equal opportunity in the award and performance of any contract to all persons without regard to race, color, sex, religion, national origin, ancestry, age, marital status, or disability.
- 8. CONFIDENTIALITY OF REPORTS. Operating Agency shall keep confidential all reports, information and data received, prepared or assembled pursuant to performance hereunder. Such information shall not be made available to any person, firm, corporation or entity without the prior written consent of the County.
 - 9. SAFETY STANDARDS AND ACCIDENT PREVENTION. The Operating Agency shall comply with all applicable federal, state and local laws governing

safety, health and sanitation. The Operating Agency shall provide all safeguard, safety devices and protective equipment and take any other needed actions, as its own responsibility, reasonable necessary to protect the life and health of employees on the job, the safety of the public and personal and real property in connection with the performance of this Contract.

10. SEVERABILITY. In the event that any provision herein contained is held to be invalid, void, or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Contract and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.
11. INTERPRETATION. No provision of this Contract shall be interpreted for or against either part because that party or that party's legal representative drafted such provision, but this Contract is to be construed as if both parties drafted it hereto.
12. WAIVER. No breach of any provision hereof can be waived unless in writing. Waiver of breach of any provision herein shall not be deemed to be a waiver of additional breaches of the same provision or breach of any other provision herein.
13. PROGRAM EVALUATIONS AND REVIEW. Operating Agency shall make available for inspection to authorized County and HUD personnel and their agents, for a total of five (5) years from the date of this Contract, all records including financial, pertaining to its performance under this Contract and allow said County and HUD personnel and agents to inspect and monitor Operating Agency's facilities and program operations, and interview Operating Agency staff and program participants, as required by the County and/or HUD.

Operating Agency agrees to submit all data that are necessary to complete the Consolidated Annual Performance and Evaluation Report (CAPER) and monitor program accountability and progress in accordance with HUD requirements in the format and at the time designated by the Executive Director or his designee.

14. NONEXPENDABLE PROPERTY. Nonexpendable property means leased and purchased tangible personal property, such as office equipment, having a useful life of more than one (1) year and/or an acquisition cost of \$5,000 or more per unit. Nonexpendable property shall also include, but not be limited to, real property, any interest in real property (including any mortgage or other encumbrance of real property), and funds derived from the sale or disposition of nonexpendable property. Any utilization of funds derived from the sale or disposition of nonexpendable property must have prior approval of the County and otherwise comply with all applicable laws and regulations. In the event the Contract is terminated, the County reserves the right to determine the final disposition of said nonexpendable property acquired for this project with CDBG funds, including funds derived there from. Said disposition may include taking possession of said nonexpendable property.

The Operating Agency shall maintain up-to-date property records, listing all non-expendable property it has leased or purchased during the term of this Contract. The following items should be included in the list: description of property, serial or ID number, source of funds that purchased the item (including the award number), owner of property, date of purchase, cost, percentage of cost paid with Federal monies, location, condition and use of property, date of disposal, and sale price or method used to determine the current fair market value. The Operating Agency shall conduct a physical inventory of the nonexpendable property at least once every two (2) years, reconcile the inventory with its property records and maintain these records for four years (4) after the termination or expiration of this Contract. In the event there is a change of use or disposition of the property, if the then-current fair market value is over \$5,000, the Operating Agency shall immediately pay to the County a pro-rata share of the then-current fair market value of the property. The pro-rata share shall be calculated by multiplying the then-current fair market value by the percentage of the purchase price paid with CDBG funds or program income.

15. REVERSION OF ASSETS. Upon expiration or termination of this Contract, the Operating Agency shall immediately transfer to the County any remaining CDBG funds on hand at the time of expiration or termination and any accounts receivable attributable to the use of CDBG funds. Any real property under the Operating Agency's ownership or possession that was acquired or improved in whole or in part with CDBG funds in excess of \$25,000 shall be either:
- i. Used to meet one of the national objectives in 24 CFR 570.208 for five (5) years following the close-out of the CDBG grant from which assistance to the property was provided after expiration of this Contract (24 CFR 570.505), or such longer period of time as may be specified in the Exhibit A;
 - ii. Disposed of in a manner, which results in the County being reimbursed in the amount of the current fair market value of the property less any portion thereof attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such reimbursement is not required after the period of time and under the conditions specified in subparagraph i above.

The Operating Agency shall maintain the use of the real property and documentation verifying compliance with the national objective for a period of five years after closeout of this project, per 24 CFR 570.505, Use of Real Property, which states, "[t]he standards described in this section apply to real property within the recipient's control which was acquired or improved in whole or in part using CDBG funds in excess of \$25,000." These standards shall apply from the date CDBG funds are first spent for the property until five years after closeout of an entitlement recipient's participation in the entitlement CDBG program, or, with respect to other recipients, until five years after the closeout of the grant from which assistance to the property was provided. The Operating Agency must submit to the Commission a completed "Certification of Eligible Use" Form verifying that the real property is used exclusively for the eligible use

and purpose as provided in the Exhibit A. This form shall be submitted on an annual basis, by April 30th, beginning in year two (2) and for a period of five (5) years after closeout of the project. In case of a change of use or disposition, the Commission must be reimbursed for the then-current fair market value of the real property, less the pro-rata shares of expenditures made with non-CDBG funds to acquire or improve the real property.

16. PURCHASE OR LEASE OF NONEXPENDABLE PROPERTY. Operating Agency shall obtain three (3) documented bids prior to purchasing or leasing any nonexpendable personal property as approved in Exhibit A, Project Description and Activity Budget. The Operating Agency must purchase or lease from the lowest responsive and responsible bidder. Operating Agency shall properly identify and inventory all nonexpendable property purchased or leased pursuant to the Contract and seek reimbursement from the County for the actual price of said property, deducting all cash discounts, rebates and allowances received by Operating Agency. Operating Agency shall provide said inventory to the County upon request.

If there is a residual inventory of unused supplies upon termination or completion of the project, or termination or expiration of this Contract, with a then-current aggregate fair market value exceeding \$5,000 and if the supplies are not needed for any other federally sponsored program(s) or project(s), the Operating Agency shall immediately pay the County for its pro-rata share of the then-current aggregate fair market value calculated at the percentage of the purchase price paid with CDBG funds. The Operating Agency shall obtain prior approval of the County and otherwise comply with all applicable laws and regulations, prior to utilizing the supplies for any another federally sponsored program(s) or project(s).

17. ACCOUNTING. The Operating Agency must establish and maintain on a current basis an adequate accounting system in accordance with generally accepted accounting principles and standards, and the County Auditor-Controller Contract Accounting and Administration Handbook. Regardless of the Operating Agency's method of accounting, expenses must be reported in accordance with Sections 5 and 42 of this Contract.

18. CHANGES. The County may, from time to time, request changes hereunder, including the scope of services of the Operating Agency. Such changes, including any increase or decrease in the amount of the Operating Agency's compensation, which are agreed upon by and between the County and the Operating Agency, shall be incorporated into this Contract by written amendments. Any changes by HUD to the regulations or requirements governing Operating Agency's performance hereunder need not be incorporated by written amendment and will be binding upon Operating Agency upon notification by County.

19. CHANGES IN GRANT ALLOCATION. The County reserves the right to reduce the grant allocation when the County's fiscal monitoring indicates that the Operating Agency's rate of expenditure will result in unspent funds at the end of the program year. Changes in the grant allocation will be made after consultation

with the Operating Agency. Such changes shall be incorporated into this Contract by written amendments.

20. CITIZEN PARTICIPATION. All program data necessary to provide reports to citizens will be made available by the Operating Agency. Discussions will be held often enough so that the Operating Agency will be adequately apprised of citizen recommendations during the course of the program. Operating Agency representatives shall be available to respond to questions and receive recommendations at local meetings when so requested by the Executive Director or his designee.
21. REVENUE DISCLOSURE REQUIREMENT. Upon request, Operating Agency shall file with the County a written statement listing all revenue received, or expected to be received, by Operating Agency from Federal, State, City or County sources, or other governmental agencies, and applied for, or expected to be applied for, to offset, in whole or in part, any of the costs incurred by Operating Agency in conducting current or prospective projects or business activities, including, but not necessarily limited to, the project or business activity which is the subject of this Contract. Such statement shall reflect the name and a description of such business activity, the dollar amount of funding provided, or to be provided, by each and every governmental agency for each such project or business activity, and the full name and address of each governmental agency. Operating Agency shall make available for inspection and audit to County's representatives, upon request, at any time during the duration of this Contract, and for a period of five (5) years after the expiration of the contract, all of its books and records relating to the operation by it of each project or business activity which is funded in whole or in part with governmental monies, including the project(s) funded under this Contract, whether or not such monies are received through County. All such books and records shall be maintained by Operating Agency at a location in Los Angeles County.

Failure of Operating Agency to comply with the requirements of this Section 21 of this Contract shall constitute a material breach of contract upon which County may immediately cancel, terminate or suspend this Contract through its Executive Director.

22. JOINT FUNDING. For projects in which there are sources of funds in addition to CDBG funds, Operating Agency may be required to provide proof of such other funding. The County shall not pay for any costs incurred by Operating Agency, which are paid with other funds. All restrictions and/or requirements provided for in this Contract, relative to accounting, budgeting and reporting, apply to the total project regardless of funding sources.
23. ASSURANCES. The Operating Agency hereby assures and certifies that it has complied with the Act, applicable regulations, policies, guidelines and requirements, 24 CFR Part 85 and OMB Circular A-87, and that it will comply with all applicable Federal, State and local laws and regulations as they relate to acceptance and use of Federal funds for this program. Also, the Operating

Agency gives assurance and certifies with respect to the project specified in Exhibit A, that it will comply with all of the provisions of 24 CFR 570.303 and all other laws and regulations, which pertain to assurances of program applicants. Furthermore, the Operating Agency gives assurance and certifies that it will comply with provisions of 41 CFR Part 60-1.4 and 24 CFR Part 135, each of which is incorporated herein by this reference. Operating Agency further assures and certifies that it will comply with any further amendments or changes to said required assurances and certifications and that, during the term of this Contract, it will maintain current copies of said assurances and certifications at the address specified below.

24. NOTICES. All notices shall be served in writing. The notices to the Operating Agency shall be sent to the following address:

«Agency»
«Address»
«City», CA «Zip»

Notices, reports and statements to the County shall be personally delivered or sent via First Class U. S. mail to the Executive Director or his designee at:

Carlos Jackson, Executive Director
Community Development Commission of the County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Each party shall promptly notify the other of any change in its mailing address.

25. ASSIGNMENT AND SUBCONTRACTING. Operating Agency may not assign or subcontract any portion of this Contract without the express written consent of the County. Any attempt by Operating Agency to assign or subcontract any performance of the terms of this Contract shall be null and void and shall constitute a material breach of this Contract, upon which the County may immediately terminate this Contract through the Executive Director.
26. NOTICE OF FEDERAL EARNED INCOME CREDIT. Operating Agency shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.
27. FISCAL LIMITATIONS. The United States of America, through HUD, may in the future place programmatic or fiscal limitation(s) on CDBG funding. Accordingly, the County reserves the right, in its sole discretion, to revise this Contract in order to take into account actions and events affecting CDBG program funding. In the event of a CDBG funding reduction by HUD, the County may, in its sole discretion, reduce the compensation amount of this Contract in whole or in part, or may limit the rate of the Operating Agency's use of both its uncommitted

and its unspent funds. The Executive Director, or his designee, may act for the County in implementing and effecting such a reduction. in the compensation amount of this Contract.

Where the Executive Director, or his designee, has reasonable grounds to question the fiscal accountability, financial soundness, or compliance with this Contract of the Operating Agency, the County, through the Executive Director, or his designee, may suspend this Contract for up to sixty (60) days, upon three (3) days notice to Operating Agency, pending an audit or other resolution of such questions. In no event, however, shall a revision made by the County affect expenditures and legally binding commitments made by the Operating Agency before it received notice of such revision, provided that such amounts have been committed in good faith and are otherwise allowable, that such commitments are consistent with HUD cash withdrawal guidelines, and that CDBG funds are available to County to satisfy such expenditures or legally binding commitments.

28. USE OF FUNDS FOR ENTERTAINMENT, MEALS OR GIFTS. Operating Agency certifies and agrees that it will not use funds provided through this Contract to pay for entertainment, meals or gifts.
29. INDEMNIFICATION. The Operating Agency agrees to indemnify, defend and hold harmless the County, the Community Development Commission of the County of Los Angeles, the Housing Authority of the County of Los Angeles (Housing Authority), and their elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Operating Agency's acts and/or omissions arising from and/or relating to this Contract.
30. CONFLICT OF INTEREST. The Operating Agency, its agents and employees shall comply with all applicable Federal, State and County laws and regulations governing conflict of interest including, but not limited to, 24 CFR Part 570.611 and 24 CFR Part 85, Section 85.36(b). To this end, the Operating Agency will make available to its agents and employees copies of all applicable Federal, State and County laws and regulations governing conflict of interest.
31. BUDGET MODIFICATIONS. The Executive Director or his designee, who shall be a Division Director or higher, may grant budget modifications to this Contract for the movement of funds between the budget categories identified in Exhibit A, when such modifications:
 - i. In aggregate do not exceed \$10,000 per budget cost category;
 - ii. Are specifically requested by Operating Agency;
 - iii. Will not change the project goals or scope of services;
 - iv. Are in the best interest of the County and Operating Agency in performing the scope of services under this Contract; and
 - v. Do not alter the total amount of compensation under this Contract;

32. TIME OF PERFORMANCE MODIFICATIONS. The Executive Director or his designee, who shall be a Division Director or higher, may grant time of performance modifications to this Contract when such modifications:
- i. In aggregate do not exceed twelve (12) calendar months;
 - ii. Are specifically requested by Operating Agency;
 - iii. Will not change the project goals or scope of services;
 - iv. Are in the best interests of the County and Operating Agency in performing the scope of services under this Contract; and
 - v. Do not alter the total amount of compensation under this Contract.
33. AUDIT EXCEPTIONS BY STATE AND FEDERAL AGENCIES. Operating Agency agrees that in the event the program established hereunder is subject to audit exceptions by appropriate State and Federal audit agencies, it shall be responsible for complying with such exceptions and paying the County the full amount of County's liability to the funding agency resulting from such audit exceptions.
34. INDEPENDENT CONTRACTOR. Both parties hereto in the performance of this Contract will be acting in an independent capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purpose whatsoever, including workers' compensation liability. Operating Agency shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed on behalf of the Operating Agency pursuant to this Contract.
35. AMENDMENTS/VARIATIONS. This writing, with attachments, embodies the whole of the agreement of the parties hereto. No oral agreements shall be binding upon the parties unless expressly stated herein. Except as provided herein, any addition to or variation of the terms of this Contract shall not be valid unless made in the form of a written amendment of this Contract formally approved and executed by both parties. All Amendments must be received by the County not more than sixty (60) calendar days from the expiration date of this Contract. No amendments will be accepted after April 30th of the program year.
36. ACQUISITION OF SUPPLIES AND EQUIPMENT. Following approval by the County for necessary supplies and equipment for Contract performance, the Operating Agency may purchase from a related agency/organization only if: (a) prior authorization is obtained in writing from the County, (b) no more than maximum prices or charges are made and no more than minimum specifications are met, as provided in writing by the County, (c) a community related benefit is derived from such Operating Agency related acquisition, and (d) no conflict of interest for private gain accrues to the Operating Agency or its employees, agents or officers.

37. MONITORING AND EVALUATION. The County will monitor, evaluate and provide guidance to the Operating Agency in the performance of this Contract. Authorized representatives of the County and HUD shall have the right of access to all activities and facilities operated by the Operating Agency under this Contract. Facilities include all files, records, and other documents related to the performance of this Contract. Activities include attendance at staff, board of directors, advisory committee and advisory board meetings, and observation of on going program functions. The Operating Agency will ensure the cooperation of its staff and board members in such efforts. The Executive Director or his designee may conduct program progress reviews. These reviews will focus on the extent to which planned program has been implemented and measurable goals achieved, effectiveness of program management, and impact of the program.
38. AUDITS. The Operating Agency's program will be audited in accordance with the County's policy and funding source guidelines. Audits may also be conducted by Federal, State or local funding source agencies. The County or its authorized representatives shall, at all times during the term of this Contract, and for a period of five (5) years thereafter, have access, for the purpose of audit or inspection, to any and all books, documents, papers, records, property, and premises of the Operating Agency. The Operating Agency's staff will cooperate fully with authorized auditors when they conduct audits and examinations of the Operating Agency's program. A financial audit of the Operating Agency's performance under this Contract shall be conducted at County's discretion. If indications of misappropriation or misapplication of the funds of this Contract cause the County to require a special audit, the cost of the audit will be encumbered and deducted from this Contract's budget.
39. INSURANCE. The Executive Director hereby authorizes the Commission's Risk Manager to determine the requirements of the insurance policy to be procured and maintained by the Operating Agency with respect to its activities and obligations hereunder. Without limiting Operating Agency's indemnification of County, the Operating Agency shall provide and maintain at its own expense during the term of this Contract, a program of insurance satisfactory to the Commission's Risk Manager covering its operations hereunder, as specifically defined in Exhibit B to this Contract, a copy of which is attached hereto and incorporated herein by this reference.
40. FAILURE TO PROCURE INSURANCE. Failure on the part of Operating Agency to procure or maintain required insurance (pursuant to Exhibit B) shall constitute a material breach of contract under which County may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith. All monies so paid by County shall be repaid by the Operating Agency to County upon demand or County may offset the cost of the premiums against any monies due to the Operating Agency from County.
41. PROGRAM INCOME. The County reserves the right to determine the disposition of any program income, as described in 24 CFR Part 570.504

accumulated under the project(s) set forth in Exhibit A. Said disposition may include the County taking possession of said program income.

42. FINANCIAL CLOSE OUT PERIOD. The Operating Agency agrees to complete all necessary financial close out procedures required by the Executive Director or designee, within a period of not more than sixty (60) calendar days from the expiration date of this Contract. This time period will be referred to as the financial close out period. The County is not liable to provide reimbursement for any expenses or costs associated with this Contract after the expiration of the financial close out period. After the expiration of the financial close out period, those funds not paid to the Operating Agency under this Contract, if any, may be immediately reprogrammed by County into other eligible activities in the County. The Executive Director, or his designee, may request a final financial audit for activities performed under this Contract at the expiration of the financial close out period.
43. NEPOTISM. Operating Agency shall not hire nor permit the hiring of any person to fill a position funded through this Contract if a member of that person's immediate family is employed in an administrative capacity by Operating Agency. For the purpose of this section, the term "immediate family" means spouse, child, mother, father, brother, sister, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, aunt, uncle, niece, nephew, stepparent and stepchild. The term "administrative capacity" means having selection, hiring, supervisory or management responsibilities, including serving on the governing body of Operating Agency.
44. RELIGIOUS AND POLITICAL ACTIVITIES. Operating Agency agrees that funds under this Contract will be used exclusively for performance of the work required under this Contract, and that no funds made available under this Contract shall be used to promote religious or political activities. Further, Operating Agency agrees that it will not perform, nor permit to be performed, any religious or political activities in connection with the performance of this Contract.
45. STAFF TRAVEL. Operating Agency shall not incur any expenditure for travel outside of Los Angeles County unless specifically provided for and itemized in Exhibit A, without prior written approval of County.
46. USE OF FUNDS. All funds approved under this Contract shall be used solely for costs approved in the program budget for this Contract. Contract funds shall not be used as a cash advancement between contracts, as security to guarantee payments for any non-program obligations, or as loans for nonprogram activities. Separate financial records shall be kept for each funding source.
47. REPORTS AND RECORDS. Operating Agency agrees to prepare and submit financial, program progress, monitoring, evaluation and other reports as required by County. Program progress reports shall be submitted on a monthly basis, in the form specified by the Executive Director or his designee. Operating Agency shall maintain, and permit on site inspections of such property, personnel,

financial and other records and accounts as are considered necessary by County to assure proper accounting for all Contract funds during the term of this Contract and for a period of four (4) years thereafter. Operating Agency will ensure that its employees and board members furnish such information which, in the judgment of County representatives, may be relevant to a question of compliance with contractual conditions, with County or granting agency directives, or with the effectiveness, legality and achievements of the program.

48. EXPENDITURES. Expenditures made by Operating Agency in the operation of this Contract shall be in strict compliance and conformity with the Budget set forth in Exhibit A, unless prior written approval for an exception is obtained from Executive Director or his designee.
49. CERTIFICATION PROHIBITING USE OF EXCESSIVE FORCE. In accordance with Section 519 of Public Law 101-144, the undersigned certifies, to the best of his or her knowledge and belief that it has adopted and is enforcing:
 - i. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
 - ii. A policy of enforcing applicable State and local laws against individuals physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;
50. DRUG-FREE WORKPLACE. Operating Agency agrees to provide a drug-free workplace by:
 - i. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Operating Agency's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - ii. Establishing an ongoing drug-free awareness program to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The Operating Agency's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

- iii. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by subparagraph i of this Section 50;
- iv. Notifying the employee in the statement required by paragraph i of this Section 50 that, as a condition of employment under the grant, the employee will:
 - a. Abide by the terms of the statement; and
 - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five (5) calendar days after such conviction;
- v. Notifying the County in writing, within ten (10) calendar days after receiving notice under subparagraph (iv)(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- vi. Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph (iv)(b), with respect to any employee who is so convicted -
 - a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- vii. Making a good faith effort to continue to maintain a drug-free workplace through implementation of subparagraphs i, ii, iii, iv, v and vi.
- viii. The Operating Agency may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant;

Check ___ if there are workplaces on file that are not identified here.

51. RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN. Section 104(d) of the Housing and Community Development Act of 1974, also known as the Barney Frank Amendment, requires relocation assistance for displaced low-income families and requires one-for-one replacement of

low/moderate income dwelling units that are demolished or converted to other use. When CDBG funds are used in a project, including financing for rehabilitation, or project delivery costs, Section 104(d) is triggered. CDBG Regulations further describe the requirements under 24 CFR Section 570.606 Displacement, Relocation, Acquisition, and Replacement of Housing.

Operating Agency must adopt and make public a Residential Antidisplacement and Relocation Assistance Plan as part of its administrative requirements to HUD. Before Operating Agency enters into a contract committing it to provide funds for any activity that will directly result in the demolition, or conversion to another use, of low/moderate-income dwelling units, it must make public and submit to HUD the information as described in Sections 24 CFR 570.457; 570.456 (a); 570.606 (c); and 570.702 (f).

52. PROPERTY MAINTENANCE STANDARDS. The Operating Agency providing services under Contract to the County must ensure that sufficient property maintenance ("property maintenance standards") shall be provided to the facility where services are being provided. Property maintenance includes removal of trash and debris, graffiti abatement, landscaping and physical appearance acceptable to the County.

The Operating Agency may use its CDBG funds towards property maintenance standards; however, each case would be reviewed on an individual basis and approved by the County. The County has established an expenditure cap not to exceed five (5) percent of the Contract allocation for property maintenance standards.

53. TERMINATION FOR IMPROPER CONSIDERATION. The County may, by written notice to the Operating Agency, immediately terminate the right of the Operating Agency to proceed under this Contract if it is found that improper consideration, in any form, was offered or given by the Operating Agency, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment or extension of the Contract or the making of any determinations with respect to the Operating Agency's performance pursuant to the Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against Operating Agency as it could pursue in the event of default by the Operating Agency.

Operating Agency shall immediately report any attempt by the County officer or employee to solicit such improper consideration. The Report shall be made to the Executive Director or the County Auditor-Controller's Employee Fraud Hotline (800) 544-6861.

54. OPERATING AGENCY'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM. Operating Agency acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from County through contract are in

compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Operating Agency's duty under this Contract to comply with all applicable provisions of law, Operating Agency warrants that it is now in compliance and shall during the term of this Contract maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

55. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM. Failure of Operating Agency to maintain compliance with the requirements set forth in Paragraph 54, Operating Agency's Warranty of Adherence to County's Child Support Compliance Program shall constitute a default by Operating Agency under this Contract. Without limiting the rights and remedies available to County under any other provision of this Contract, failure to cure such default within ninety (90) days of notice by the Los Angeles County Child Support Services Department (CSSD) shall be grounds upon which the Executive Director may terminate this Contract pursuant to Paragraph 59, Termination for Cause.
56. POST MOST WANTED DELINQUENT PARENTS LIST. The Operating Agency acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Operating Agency understands that it is County's policy to voluntarily post a list entitled L.A.'s Most Wanted: Delinquent Parents poster in a prominent position at Operating Agency's place of business. The CSSD will supply the Operating Agency with the poster to be used.
57. COUNTY'S QUALITY ASSURANCE PLAN. The County will evaluate the Operating Agency's performance under this Contract on not less than an annual basis. Such evaluation will include assessing Operating Agency's compliance with all contract terms and performance standards. Operating Agency's deficiencies which County determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and the Operating Agency. If improvement does not occur consistent with the corrective measure, County may terminate this Contract, pursuant to Paragraph 58 or 59, or impose other penalties as specified in this Contract.

58. TERMINATION FOR CONVENIENCE. The County reserves the right to cancel this Contract for any reason at all upon 30 days' prior written notice to Operating Agency. In the event of such termination, Operating Agency shall be entitled to a prorated portion paid for all satisfactory work unless such termination is made for cause, in which event, compensation if any, shall be adjusted in such termination.

59. TERMINATION FOR CAUSE. This Contract may be terminated by the County upon written notice to the Operating Agency for just cause (failure to perform satisfactorily) with no penalties incurred by the County upon termination or upon the occurrence of any of the following events in i, ii, iii or iv:

- i. Should the Operating Agency fail to perform all or any portion of the work required to be performed hereunder in a timely and good workmanlike manner or properly carry out the provisions of the Contract in their true intent and meaning, then in such case, notice thereof in writing will be served upon the Operating Agency, and should the Operating Agency neglect or refuse to provide a means for satisfactory compliance with this Contract and with the direction of the County within the time specified in such notice, the County shall have the power to suspend or terminate the operations of the Operating Agency in whole or in part.
- ii. Should the Operating Agency fail within five days to perform in a satisfactory manner, in accordance with the provisions of the Contract, or if the work to be done under said Contract is abandoned for more than three days by the Operating Agency, then notice of deficiency thereof in writing will be served upon Operating Agency by the County.

Should the Operating Agency fail to comply with the terms of said Contract within five days, upon receipt of said written notice of deficiency, the Executive Director of Commission shall have the power to suspend or terminate the operations of the Operating Agency in whole or in part.

- iii. In the event that a petition of bankruptcy shall be filed by or against the Operating Agency.
- iv. If, through any cause, the Operating Agency shall fail to fulfill in timely and proper manner the obligations under this Contract, or if the Operating Agency shall violate any of the covenants, Contracts, or stipulations of this Contract, the County shall thereupon have the right to terminate this Contract by giving written notice to the Operating Agency of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Operating Agency or under this Contract shall, at the option of the County become its property and the Operating Agency shall be entitled to receive just and equitable compensation for any work satisfactorily completed.

60. ARCHITECTURAL BARRIERS ACT AND THE AMERICANS WITH DISABILITIES ACT. The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of residential structure as defined in 24 CFR 40.2 or the definition of building as defined in 41 CFR Part 101, is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (Appendix A to 24 CFR part 40 for residential structures, and Appendix A to 41 CFR Part 101-19, Subpart 101-19.6, for general type buildings). The Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155.201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy after January 26, 1993 that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable--that is, easily accomplishable and able to be carried out without much difficulty or expense.
61. USE OF RECYCLED-CONTENT PAPER PROJECTS. Consistent with the County Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, the Operating Agency agrees to use recycled-content paper to the maximum extent possible in relation to this Project.
62. EMPLOYEES OF OPERATING AGENCY. *Workers' Compensation:* Operating Agency understands and agrees that all persons furnishing services to the County pursuant to this Contract are, for the purposes of Workers' Compensation liability, employees solely of the Operating Agency. Operating Agency shall bear sole responsibility and liability for providing Workers' Compensation benefits to any person for injuries arising from an accident connected with services provided to the County under this Contract.

Professional Conduct: The County does not and will not condone any acts, gestures, comments or conduct from the Operating Agency's employees, agents or subcontractors which may be construed as sexual harassment or any other type of activities or behavior that might be construed as harassment. The County will properly investigate all charges of harassment by residents, employees or agents of the County against any and all Operating Agency's employees, agents or subcontractors providing services for the County. The Operating Agency assumes all liability for the actions of the Operating Agency's employees, agents or subcontractors and is responsible for taking appropriate action after reports of harassment are received by the Operating Agency.

63. CONTRACTOR RESPONSIBILITY AND DEBARMENT.

- A. A responsible contractor is a contractor, consultant, vendor, or operating agency who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the policy of the Commission, Housing Authority, and County to conduct business only with responsible contractors.
- B. The Contractor is hereby notified that if the Commission acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the Commission may, in addition to other remedies provided in the contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on Commission contracts for a specified period of time, which generally will not to exceed five years but may exceed five years or be permanent if warranted by circumstances, and terminate any or all existing contracts the Contractor may have with the Commission.
- C. The Commission may debar a contractor, consultant, vendor or operating agency if the Board of Commissioners finds, in its discretion, that the contractor, consultant, vendor, or operating agency has done any of the following: (1) violated any term of a contract with the Commission, Housing Authority, or County, or a nonprofit corporation created by the Commission, Housing Authority, or County (2) committed any act or omission which negatively reflects on the its quality, fitness or capacity to perform a contract with the Commission, Housing Authority, or County or any other public entity, or a nonprofit corporation created by the Commission, Housing Authority, or County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the Commission, Housing Authority, County, or any other public entity.
- D. If there is evidence that the Contractor may be subject to debarment, the Commission will notify the Contractor in writing of the evidence, which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Commission shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of

Commissioners.

- F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contract Hearing Board shall be presented to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.
- G. If a Contractor has been debarred for a period longer than five years, that Contractor may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The Commission may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the Commission.
- H. The Contractor Hearing Board will consider a request for review of the debarment determination only where (1) the Contractor has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the ground for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment Hearing.
- I. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Commissioners. The Board of Commissioners shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- J. These terms shall also apply to subcontractors and subconsultants of County, Commission, or Housing Authority contractors, consultants, vendors and operating agencies.

64. SECTION 3. In order to comply with the Housing and Urban Development Act of 1968, the Operating Agency and, where applicable, its contractor(s) and subcontractor(s) shall comply with Section 3 regulations as described in 24 CFR Part 135. Section 3 compliance activities of the Operating Agency and its contractor(s) and subcontractor(s) shall be governed by the Commission's CDBG Compliance Instructions, as amended, which can be made available to Operating Agency for inspection and copying upon request, if operating agency does not already possess a copy..
65. CONSTRUCTION/REHABILITATION PROJECTS: The Operating Agency shall submit a request to the County, to conduct a Contract and Labor Compliance File Review at least 30 calendar days prior to the anticipated completion of construction/rehabilitation activities, but in no event later than May 30th of the current fiscal year.
66. PHOTOGRAPHS, FOOTAGE, AND OTHER MEDIA MATERIALS. Operating Agency represents and warrants that all photographs, videos, DVD's, footage, magazines, and other media materials provided to the County are either public record or have been legally procured without invading the copyright, ownership, or privacy rights of any individual. Operating Agency further agrees to defend, hold harmless, and indemnify the County from any and all liability, as described in Section 29, Indemnification, arising from or related to County's use of said photographs, videos, DVD's, footage, magazines, and other media materials.
67. ENTIRE CONTRACT This Contract with attachments and any and all CDBG Bulletins, which the County may issue from time to time following the date of execution, constitute the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Contract to be subscribed by the Executive Director of the Community Development Commission, and the Operating Agency has subscribed the same through its duly authorized officers, on the day, month and year first above written.

COUNTY OF LOS ANGELES

«Agency Name»
Operating Agency

By: _____
CARLOS JACKSON, Executive Director
Community Development Commission
Of the County of Los Angeles

By: _____
Title: _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
Director
County Counsel

APPROVED AS TO PROGRAM:

CARLOS JACKSON, Executive Director
Community Development Commission
Of the County of Los Angeles

By: _____
Deputy

By: _____
Director, CDBG Division

**COUNTY OF LOS ANGELES
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
REIMBURSABLE CONTRACT WITH PARTICIPATING CITY
AMENDMENT NUMBER «Number»**

CITY: «Agency_Name»

CONTRACT NUMBER: «Contract Number»

THIS AMENDMENT NUMBER «Number» TO CONTRACT «Contract Number» is made this «Date» day of «Month», by and between the County of Los Angeles, hereinafter called the "County," and the «Agency Name», hereinafter called the "Participating City."

WITNESSETH THAT:

WHEREAS, the County and the Participating City previously entered into a Community Development Block Grant ("CDBG") Program Reimbursable Contract with Participating City, Contract Number «Contract Number» dated July 1, 2006, and amended «Month And Date»; and

WHEREAS, County and Participating City desire to amend the Contract in order that Participating City may better implement its CDBG-eligible projects. The Executive Director of the Community Development Commission of the County of Los Angeles ("Community Development Commission") administers the Contract on behalf of the County as its agent.

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties agree that the Contract be amended as follows:

1. **SECTION 5, COMPENSATION AND METHOD OF PAYMENT**, is amended to show a revised compensation amount of «First» dollars («FirstAmount»). This is an increase of «SecondAmount2» dollars («Amount1») in the compensation amount.
2. **SECTION 50**, is an entirely new section and will read as follows: **ARCHITECTURAL BARRIERS ACT AND THE AMERICANS WITH DISABILITIES ACT.** The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of residential structure as defined in 24 CFR Section 40.2 or the definition of building as defined in 41 CFR Part 101, is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (Appendix A to 24 CFR Part 40 for residential structures and Appendix A to 41 CFR Parts 101-19 for general type buildings). The Americans with Disabilities Act (42 U.S.C. Section 12131; 47 U.S.C. Sections 155.201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy after January 26, 1993 that are readily

accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable--that is, easily accomplishable and able to be carried out without much difficulty or expense.

3. **SECTION 50, CONSTRUCTION\REHABILITATION PROJECTS** will now be Section 51 and it is amended to show a revised section, which will read as follows, "The Operating Agency shall submit a request to the County, to conduct a Contract and Labor Compliance File Review at least 30 calendar days prior to the anticipated completion of construction/rehabilitation activities, but in no event later than May 30th of the current fiscal year." The initial first paragraph of this section has been deleted.
4. **SECTION 51, ENTIRE CONTRACT** will become Section 53
5. **SECTION 52**, will be an entirely new section and will read as follows:

PHOTOGRAPHS, FOOTAGE, AND OTHER MEDIA MATERIALS.

Operating Agency represents and warrants that all photographs, videos, DVD's, footage, magazines, and other media materials provided to the County are either public record or have been legally procured without invading the copyright, ownership, or privacy rights of any individual. Operating Agency further agrees to defend, hold harmless, and indemnify the County from any and all liability, as described in Section 16, Indemnification, arising from or related to County's use of said photographs, videos, DVD's, footage, magazines, and other media materials.

All other terms and conditions of the Contract shall remain the same and in full force and effect.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by the Executive Director of the Community Development Commission, and the Participating City has subscribed the same through its duly authorized officers on the day, month and year first above written.

COUNTY OF LOS ANGELES

«Agency_Name»

BY: _____
CARLOS JACKSON, Executive Director
Community Development Commission
of the County of Los Angeles

BY: _____

TITLE: _____

ATTEST: _____

CITY CLERK: _____

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

APPROVED AS TO PROGRAM:

CARLOS JACKSON, Executive Director
Community Development Commission
of the County of Los Angeles

BY: _____
Deputy

BY: _____
Director, CDBG



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Yvonne Brathwaite Burke
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Carlos Jackson
Executive Director

April 25, 2007

Honorable Housing Commissioners
Housing Authority of the County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

APPROVE THE HOUSING AUTHORITY'S FISCAL YEAR 2007-2008 BUDGET

IT IS REQUESTED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the approval of the Housing Authority Budget is not subject to the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Recommend that the Board of Commissioners adopt the attached Resolution (Attachment A) approving the Housing Authority's Fiscal Year 2007-2008 Budget, which includes revenues and expenditures of \$286,120,000.
3. Recommend that the Board of Commissioners instruct the Chair to sign the Resolution approving the Housing Authority's Fiscal Year 2007-2008 Budget, and the related Transmittal Resolution (Attachment B) certifying submission of the budget by the Board to the U.S. Department of Housing and Urban Development (HUD).
4. Recommend that the Board of Commissioners instruct the Chair to adopt and sign the attached Resolution (Attachment C) approving the cost allocation model developed in conjunction with the Housing Authority's outside auditors, Klynveld Peat Marwick Goerdeler (KPMG) in April 2002.
5. Recommend that the Board of Commissioners authorize the Executive Director to institute a General Salary Adjustment at a maximum combined amount of 10% over the next 3 years.



6. Recommend that the Board of Commissioners instruct the Executive Director to implement the Budget and take all related actions, including execution of all required documents, for the purposes described herein following approval as to form by County Counsel.
7. Recommend that the Board of Commissioners instruct the Executive Director to submit the Resolutions and related documents to HUD.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of this action is to approve the Fiscal Year 2007-2008 Budget of the Housing Authority. HUD requires that the Board of Commissioners approve the Fiscal Year 2007-2008 Budget prior to the release of funds for continued operation of the Assisted Housing Division, Housing Management Division, and seven residential and community assistance programs.

In a recent financial management review conducted by HUD, it was recommended that the Housing Authority receive formal approval for its cost allocation plan that was developed in 2002 by KPMG, its auditors at the time.

During a review of the Housing Authority's compensation study in October 2006, it was recommended that the Housing Authority implement a general salary adjustment in order to help it retain staff. This is a new endeavor for the Housing Authority and is being modeled after the County's step increases. The CAO concurred with the recommendation and advised the Housing Authority to keep its increases comparable to non-represented County employees, who were authorized on November 12, 2006 to receive a 10% salary adjustment over the next 3 years. The Housing Authority has budgeted for and is recommending a 5% adjustment for all employees effective July 1, 2007, and 2.5% annually for the remaining two years.

FISCAL IMPACT/FINANCING:

The Housing Authority's Fiscal Year 2007-2008 Budget includes a request to the Chief Administrative Office for \$410,000 in County general funds to support the University of California Cooperative Extension Program (Cooperative Extension).

The proposed Housing Authority Fiscal Year 2007-2008 Budget is \$286,120,000, a \$9,098,600 increase over Fiscal Year 2006-2007. This increase is primarily due to the availability of additional funding from reserves for the Housing Choice Voucher (Section 8) Housing Assistance Payments (HAP) to landlords. In addition, the Office of Community and Educational Partnerships (OCEP) is now included under the Housing Authority at a total of \$1,867,600.

The following table compares funding levels for Fiscal Years 2006-2007 and 2007-2008.

Housing Authority	2006-2007 Budget	2007-2008 Budget
Divisions		
Assisted Housing – Section 8 Rental Assistance	\$ 223,982,800	\$ 231,433,000
Housing Management – Public Housing	\$ 27,473,100	\$ 31,927,900
Housing Management – Public Housing Modernization	\$ 9,810,200	\$ 8,707,400
Other Programs		
Telemedicine	\$ 148,600	\$ 120,000
Cooperative Extension	\$ 410,000	\$ 460,000
Youth in Focus	\$ 71,000	\$ 138,100
Fraud Investigation Unit	\$ 743,300	\$ 816,400
Office of Community Education Partnership	\$ 0	\$ 1,867,600
City of Industry - Tax Increment	\$ 12,885,100	\$ 9,011,600
Traffic Violator School Monitoring	\$ 1,497,300	\$ 1,638,000
TOTAL	\$ 277,021,400	\$ 286,120,000
Staffing		
Regular Staff	293.45	288.33
Contract Staff	94.00	96.27
TOTAL	387.45	384.60

Assisted Housing Division

During Fiscal Year 2007-2008, the Assisted Housing Division will administer a total of \$231,433,000 to provide rental assistance to approximately 23,080 low- and very low-income families and seniors. This is an increase of \$7,450,200 over Fiscal Year 2006-2007, and reflects the Housing Authority's ability to use HAP reserves from prior years to compensate for the loss in the Section 8 annual funding allocation.

Housing Management Division

The Housing Management Division manages and maintains 3,636 housing units and provides resident services such as computer centers, programs for youth, after-school homework assistance and counseling services.

Based on a new HUD requirement, all Public Housing Authorities (PHA's) must convert to site-based budgeting effective September 1, 2007. The intent of site-based budgeting is to encourage PHA's to foster accountability at the site level consistent with the private sector. Under new regulations, HUD will limit the administrative/overhead cost to a pre-determined monthly management fee. The fee-for-service concept associated with the central office must be reasonable and in line with the current market rate. In anticipation of this change, the Housing Management Division has implemented site-based budgeting beginning with the fourth quarter of Fiscal Year 2006-2007.

During Fiscal Year 2007-2008, the Housing Management Division will administer a total of \$31,927,900, which includes funds from HUD, public housing rent revenue, and other sources. The Budget reflects an increase of \$4,454,800, and is comprised primarily of \$2,158,808 in Community Development Block Grant (CDBG) funds and capital funds of \$1,865,685. Allocated CDBG funds will be used for public housing improvements and resident services. The total CDBG allocation is comprised of \$933,000 carried over from Fiscal Year 2006-2007, and the new allocation of \$2,927,068 for Fiscal Year 2007-2008.

The Housing Management Division also administers the Public Housing Modernization Program, which provides continuous upgrading of Housing Authority-owned public housing sites. The Modernization Program total budget includes \$6,642,898 in funds carried over from previous years and \$4,493,739 in funds from the Fiscal Year 2007-2008 allocation.

Other Programs

Housing Authority programs also include the Cooperative Extension, Youth in Focus, OCEP, Telemedicine, Traffic Violator School Monitoring (TVSM) programs, and Fraud Investigations Unit. These programs provide services to residents of Los Angeles County, including youth, adults, and seniors living in public housing sites.

The Cooperative Extension program, administered by the University of California, provides educational opportunities ranging from nutrition and job readiness to literature and growing food and plants. Their budget is funded with \$410,000 in County General Funds and \$50,000 in CDBG funds.

The Youth in Focus budget of \$138,100 is comprised of CDBG and Commission General Funds, which allows it to continue its successful program of teaching the basics of photography to public housing site youth through classroom sessions and field trips.

New to the Housing Authority Budget this year is the creation and expansion of the Office of Community and Educational Partnerships (OCEP). During the year, the Housing Authority looked at ways to maximize its services and has partnered with local colleges. Through its educational partnerships, interns and college students provide assistance and support to enhance resident services programs operated at its Housing Sites. The budget of \$1,867,600 is comprised of CDBG funds, other grants and Commission General Funds.

The \$120,000 budgeted for the Telemedicine program provides for medical services, immunizations and workshops to promote health awareness at the Mary Henry Telemedicine Center and is largely funded by CDBG.

The TVSM program works in cooperation with the Los Angeles County Superior Court, California Department of Motor Vehicles, and the Los Angeles County Sheriff's Department. TVSM ensures that 163 traffic violator schools and 130 Internet and home study courses operating within the County are in compliance with all applicable municipal, state, and federal codes. In addition, the TVSM program provides employment opportunities to participants from public housing, Section 8, and the Department of Public Social Services' Back-to-Work program recipients. The Fiscal Year 2007-2008 budget is \$1,638,000, and is funded entirely by Superior Court proceeds.

The Fraud Investigations Unit works closely with the administrative staff of the Section 8 and the public housing programs to ensure that tenants are complying with various federal regulations and local laws. Investigators respond to allegations against tenants suspected of failing to report income or housing of persons who are not on the lease. Investigators also work with local law enforcement to remove families whose conduct threatens the health or safety of others, or their right to the peaceful enjoyment of their premises, due to criminal activity. The Fiscal Year 2007-2008 budget of \$816,400 is funded by revenues recovered from the fraud investigations unit and Section 8 administrative funds.

As required under California Government Code section 65584.3, the Housing Authority receives allocations of tax increment funds from the City of Industry to develop housing for low-income individuals, families, and special needs populations. These funds, budgeted at \$9,011,600, are allocated to the Housing Authority and are included in its Budget, but are administered by the Community Development Commission, which also serves as the redevelopment agency for the County.

Housing Authority Staff

Regular staff will decrease by 5.12 positions and contract staff will increase by 2.27 positions due to internal transfers and funding reductions.

A breakdown of staff information, by program, is provided in Attachment D.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

HUD requires that the Board of Commissioners adopt a Resolution approving the Housing Authority budget for administration of Housing Authority programs. The Resolution has been approved as to form by County Counsel.

The Resolution approving the Fiscal Year 2007-2008 Budget and related HUD Transmittal Resolution are provided as Attachments A and B, respectively. The Resolution for adopting the cost allocation policy is provided under Attachment C. Published Budget Pages, detailing goals and objectives, and related expenditures for the upcoming year are provided as Attachment D.

ENVIRONMENTAL DOCUMENTATION:

Approval of the Housing Authority's Fiscal Year 2007-2008 Budget is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The activities are not subject to the provisions of California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines 15060(c)(3) and 15378(b) because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES:

Approval of the Fiscal Year 2007-2008 Budget of the Housing Authority will enable housing programs to continue for low- and very low-income families and seniors.

Respectfully submitted,


for CARLOS JACKSON
Executive Director

RESOLUTION APPROVING THE FISCAL YEAR 2007-2008
BUDGET OF THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

WHEREAS, the Board of Commissioners of the Housing Authority of the County of Los Angeles has received the Budget for Fiscal Year 2007-2008 and has found:

1. That the proposed expenditures are necessary for the efficient and economical operation of housing programs for the purpose of serving low-income families.
2. That the budget is reasonable in that:
 - (a) It indicates a source of funding adequate to cover all proposed expenditures.
 - (b) It does not provide for use of federal funding in excess of that payable under the provisions of 24 Code of Federal Regulations Section 990.
3. That all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contributions Contracts with the U.S. Department of Housing and Urban Development.
4. That no employee serving in a variety of positions is reflected in the operating budget as serving an aggregate amount of time exceeding 100 percent.
5. That the U.S. Department of Housing and Urban Development requires that the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of \$50,000 or greater, must be approved by the Board of Commissioners.

WHEREAS, it is necessary for the Board of Commissioners of the Housing Authority of the County of Los Angeles to adopt an annual budget.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the County of Los Angeles, hereby resolves as follows:

1. The above recitals are true and correct.
2. The Housing Authority of the County of Los Angeles adopts the following budgeted revenues and appropriations for Fiscal Year 2007-2008, as set forth in the Annual Budget for the Housing Authority of the County of Los Angeles:

Estimated Funding	<u>\$286,120,000</u>
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Expenditure and Reserve Appropriations:	<u>\$286,120,000</u>
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3. That the use of Section 8 Operating Reserve funds for other housing purposes, in the amount of \$50,000 or greater, must be approved by the Board of Commissioners.
4. This Resolution shall take effect immediately.

APPROVED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles on this ____ day of _____, 2007.

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk of
the Board of Commissioners

By: _____
Deputy

By: _____
Chair of the Board of
Commissioners

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Deputy

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 10/31/2009)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority of the County of Los Angeles PHA Code: CA002

PHA Fiscal Year Beginning: July 1, 2007 Board Resolution Number: _____

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- ☒ Operating Budget approved by Board resolution on: 06/05/2007
- ☐ Operating Budget submitted to HUD, if applicable, on: _____
- ☐ Operating Budget revision approved by Board resolution on: _____
- ☐ Operating Budget revision submitted to HUD, if applicable, on: _____

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
Zev Yaroslavsky		06/05/2007

RESOLUTION APPROVING THE FISCAL YEAR 2007-2008
COST ALLOCATION PLAN OF THE HOUSING AUTHORITY OF THE
COUNTY OF LOS ANGELES

WHEREAS, the Board of Commissioners of the Housing Authority of the County of Los Angeles has received the Cost Allocation Plan for Fiscal Year 2007-2008 and has found:

1. That the proposed cost allocation plan is a reasonable and supportable methodology of allocating centralized administration costs to housing and/or development programs.
2. That the proposed cost allocation plan will be consistent with cost principles set forth in the Office of Management & Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments and other generally applied cost allocation methods.

WHEREAS, it is necessary for the Board of Commissioners of the Housing Authority of the County of Los Angeles to adopt a cost allocation plan.

NOW, THEREFORE, the Board of Commissioners of the Housing Authority of the County of Los Angeles, hereby resolves as follows:

1. The above recitals are true and correct.
2. The Housing Authority of the County of Los Angeles adopts the following cost allocation plan.
3. The U.S. Department of Housing and Urban Development (HUD) requires that a cost allocation plan be formally adopted by the governing body.
4. This resolution shall take effect immediately following Board approval and will be effective until a major change is made in the methodology, whereas the new cost allocation plan will be submitted for approval by the governing body.

APPROVED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles on the _____ day of _____, 2007.

ATTEST:

SACHI A. HAMAI
Executive Officer – Clerk of
The Board of Commissioners

By: _____
Deputy

By: _____
Chair of the Board of
Commissioners

APPROVED AS TO FORM:
RAYMOND G. FORTNER, JR.
County Counsel

By: _____
Deputy

ATTACHMENT D

Program: Assisted Housing
Division: Assisted Housing

MISSION:

Provide rental assistance services to low-income families in a professional manner and in an atmosphere of care and respect for all clients.

MAJOR OBJECTIVES FOR FY 2007-08:

1. Maintain 98% or higher lease-up rate based on the reserved number of units.
2. Receive a Standard Performer or higher rating under the Section 8 Management Assessment Program.
3. Every month, maintain a 95% reporting rate under the Public and Indian Housing Information Center (formerly MTCS).
4. Respond to 97% of written public inquiries within ten working days.
5. Inspect 90% of initial contract units within seven working days of receipt of the Request for Tenancy Approval.
6. Issue 98% of available vouchers continuously, based on number of units authorized and available funding.
7. Continue to provide ongoing owner and tenant workshops at least once every quarter.

PROGRAM BUDGET INFORMATION:

	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
Salary and Benefits	\$11,185,000	\$11,006,400	\$12,555,800
Non-Personal Services	\$5,440,200	\$7,366,900	\$6,302,400
Subventions	\$205,248,100	\$204,483,800	\$210,359,000
Capital Outlay	\$475,000	\$54,500	\$470,000
Transfers	\$1,634,500	\$1,545,800	\$1,745,800
TOTAL	\$223,982,800	\$224,457,400	\$231,433,000
Number of Regular Employees	161.00	138.12	156.00
Number of Contract Employees	33.00	32.17	38.90

Program: Housing Management
Division: Housing Management

MISSION:

To effectively generate and utilize the resources of the Housing Authority to provide quality affordable housing and expand opportunities to improve the quality of life in housing developments through the involvement of employees, residents and community partners.

MAJOR OBJECTIVES FOR FY 2007-08:

1. Average an annual occupancy rate of 98%.
2. Complete 100% of emergency work orders within 24 hours and non-emergency work orders within two working days.
3. Complete 100% of annual recertifications and 100% inspections of dwelling units.
4. Continue Crime and Safety Program activities throughout Los Angeles County.
5. Expand Closed Circuit Television (CCTV) installation to other housing developments.
6. Continue JJCPA Program at 5 housing developments.
7. Have 400 residents participate in the Family Resource Centers.
8. Implement the Assisted Living Waiver Pilot project at the South Bay Gardens housing development.
9. Collect 98% of Tenant Accounts Receivables.

PROGRAM BUDGET INFORMATION:

	<u>2006-07 BUDGET</u>	<u>2006-07 ESTIMATE</u>	<u>2007-08 BUDGET</u>
Salary and Benefits	\$9,359,000	\$9,123,400	\$9,911,500
Non-Personal Services	\$14,786,500	\$11,844,300	\$13,213,500
Restricted Fund	\$724,100	\$695,200	\$744,300
Subventions	\$0	\$0	\$0
Capital Outlay	\$910,200	\$426,000	\$6,008,800
Transfers	\$1,693,300	\$1,814,800	\$2,049,800
TOTAL	\$27,473,100	\$23,903,700	\$31,927,900
Number of Regular Employees	105.50	105.50	105.00
Number of Contract Employees	53.00	52.38	44.00

Program: Public Housing Modernization
Division: Housing Management

MISSION:

Provide for the renovation and modernization of public housing owned by the Housing Authority.

MAJOR OBJECTIVES FOR FY 2007-08:

1. Update and submit the Five-Year Action Plan and Annual Statement to HUD for the 2007 Capital Fund Program (CFP).
2. Ensure all target dates for the obligation and expenditure of funds are met or revisions of the deadlines are submitted timely and approved by HUD.
3. Ensure timely submission of amendments, which will include more than 10% of the CFP, to HUD for changes in the approved CFP funding activity.
4. Complete construction at 29 housing sites.
5. Conduct resident and resident council meetings in preparation for submitting the Capital Fund Program Annual Statement to HUD.

PROGRAM BUDGET INFORMATION:

	2006-07 BUDGET	2006-07 ESTIMATE	2007-08 BUDGET
Salary and Benefits	\$269,000	\$349,600	\$0
Non-Personal Services	\$121,800	\$84,000	\$107,900
Subventions	\$0	\$0	\$0
Capital Outlay	\$9,365,600	\$9,377,600	\$8,599,500
Transfers	\$53,800	\$0	\$0
TOTAL	\$9,810,200	\$9,811,200	\$8,707,400
Number of Regular Employees	2.50	0.00	0.00
Number of Contract Employees	0.00	0.00	0.00

Program: Telemedicine
Division: Housing Management

MISSION:

To improve access to health care, the CDC partners with the Wilmington Community Clinic to operate the Mary B. Henry Telemedicine Clinic in the South Los Angeles area. A clinical relationship also exists with the Charles R. Drew University of Medicine and Science. Using advanced telecommunications technology, doctors at Charles R. Drew University examine patient's miles away at the hospital. The Mary B. Henry Telemedicine Clinic provides children with early diagnosis and treatment of asthma, immunization outreach, developmental screening, anemia and sickle cell screening, lead level testing and monitoring of other pediatric illnesses. The Center also provides breast examinations. The primary beneficiaries are the residents of the Housing Authority's designated South Scattered Sites area and the community-at-large.

MAJOR OBJECTIVES FOR FY 2007-08:

1. To increase the number of patient visits to the Telemedicine Clinic.
2. Expand the types of medical services offered at the clinic.
3. Conduct outreach to improve public health education.

PROGRAM BUDGET INFORMATION:

	<u>2006-07 BUDGET</u>	<u>2006-07 ESTIMATE</u>	<u>2007-08 BUDGET</u>
Salary and Benefits	\$0	\$0	\$0
Non-Personal Services	\$148,600	\$148,600	\$120,000
Subventions	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
TOTAL	<u>\$148,600</u>	<u>\$148,600</u>	<u>\$120,000</u>
Number of Regular Employees	0.00	0.00	0.00
Number of Contract Employees	0.00	0.00	0.00

Program: Cooperative Extension
Division: Office of Executive Management

MISSION:

Provide educational programs and activities in the areas of youth development, urban gardening, nutrition, and consumer science that enable youth and adults to make good decisions and lead better lives.

MAJOR OBJECTIVES FOR FY 2007-08:

1. Provide educational programs focused on family-related concerns such as food and nutrition, family relationships, food safety, consumer issues, and money management.
 2. Through the Expanded Food and Nutrition Education Program (EFNEP) and the 5-a-day Program, teach homemakers with limited incomes how to improve family diets, make better use of available resources, improve their food preparation skills, and eat more fruits and vegetables.
 3. Offer nutrition, gardening and consumer science programs designed for and targeted specifically towards seniors living in public housing. Provide on site workshops for seniors on healthy eating, recipe demonstrations, fitness, and food safety.
 4. Upon request, provide various training including community service, goal setting, college access for teen residents and/or families at CDC sites, 4-H volunteers including education and technical assistance, and youth health and nutrition.
 5. Provide training, educational materials and technical assistance to family and senior housing residents who want to grow more of their own fruits and vegetables to augment their food budget.
 6. Provide training and technical assistance as requested on various landscaping and horticulture projects at County public housing sites, in conjunction with The Growing Experience.
-

PROGRAM BUDGET INFORMATION:

	<u>2006-07 BUDGET</u>	<u>2006-07 ESTIMATE</u>	<u>2007-08 BUDGET</u>
Salary and Benefits	\$0		\$0
Non-Personal Services	\$410,000	\$410,000	\$460,000
Capital Outlay	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	<u>\$410,000</u>	<u>\$410,000</u>	<u>\$460,000</u>
Number of Regular Employees	0.00	0.00	0.00
Number of Contract Employees	0.00	0.00	0.00

Program: Youth In Focus
Division: Executive Office – Office of Community and Educational Partnerships

MISSION:

To teach photography and encourage positive self-esteem in at-risk youth within public housing communities.

MAJOR OBJECTIVES FOR FY 2007-08:

1. Maintain the Youth In Focus (YIF) photography program at five public housing sites.
2. Develop additional curriculum that will enhance the digital aspect of photography, which will help keep the youth up-to-date with mainstream technology and computer programs.
3. Seek grants for program operational expenses and the expansion of the Youth in Focus program.
4. Increase program visibility by means of photographic exhibits, contests and program marketing.

PROGRAM BUDGET INFORMATION:

	<u>2006-07 BUDGET</u>	<u>2006-07 ESTIMATE</u>	<u>2007-08 BUDGET</u>
Salary and Benefits	\$14,600	\$43,700	\$51,200
Non-Personal Services	\$56,400	\$56,300	\$86,900
Subventions	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0
Transfers	\$0	\$0	\$0
TOTAL	\$71,000	\$100,000	\$138,100
Number of Regular Employees	0.00	0.58	1.00
Number of Contract Employees	0.00	0.00	0.00

Program: Fraud Investigations Unit
Division: Office of Executive Management

MISSION:

Ensure compliance with federal regulations and program requirements to reduce the incidence of fraud and criminal activity among Housing Choice voucher (Section 8) tenants and public housing residents.

MAJOR OBJECTIVES FOR FY 2007-08:

1. Respond to Fraud Hot Line calls within 48 hours.
2. Strengthen partnerships with the Los Angeles County Sheriff's Department and local law enforcement to reduce the incidence of criminal activity.
3. Provide training to landlords and property managers on effective ways to screen tenants.
4. Conduct compliance checks with tenants whose conduct threatens the health, safety, or right to peaceful enjoyment of their premises.
5. Provide fraud investigative services to local municipalities under memoranda of understanding.

PROGRAM BUDGET INFORMATION:

	<u>2006-07 BUDGET</u>	<u>2006-07 ESTIMATE</u>	<u>2007-08 BUDGET</u>
Salary and Benefits	\$538,200	\$538,200	\$633,200
Non-Personal Services	\$200,100	\$200,100	\$183,200
Subventions	\$0	\$0	\$0
Capital Outlay	\$5,000	\$5,000	\$0
Transfers	\$0	\$0	\$0
TOTAL	\$743,300	\$743,300	\$816,400
Number of Regular Employees	0.00	1.00	1.00
Number of Contract Employees	6.50	5.50	4.27

Program: Office of Community and Educational Partnerships (OCEP)
Division: Executive Office

MISSION:

To provide needs-based programs and services to the agency and the communities it serves. OCEP's goal is to build bridges and support productive partnerships between the CDC, educational institutions, community organizations and other agencies/its community.

MAJOR OBJECTIVES FOR FY 2007-08:

1. Develop and maintain quality academic placements to meet the needs of the CDC and its communities through academic internships, service learning, practicums and other civically engaged programs.
 2. Continue internship programs to support the CDC in the following areas: after-school education, social service programs, crime and safety, workforce development, recreation programming, art, human resources & training, information technology, community and economic development, public administration and research.
 3. Implement and develop awarded AmeriCorp*VISTA project for Resident Services Program in HACoLA public housing in the following areas: education and literacy, youth development, senior services, and resource development.
 4. Continue to improve quality resident services programs and services to promote self-sufficiency and the quality of life for families, youth and seniors in public housing.
 5. Develop, implement and provide long-term financial sustainability strategy of resident services programs in HACoLA public housing through the collaborative partnership with the Los Angeles County Community Development Foundation.
 6. Continue to oversee and implement ROSS Family and Elderly Grants and monitor program delivery to HACoLA public housing residents.
-

PROGRAM BUDGET INFORMATION:

	<u>2006-07 BUDGET</u>	<u>2006-07 ESTIMATE</u>	<u>2007-08 BUDGET</u>
Salary and Benefits	\$217,400	\$598,800	\$1,038,200
Non-Personal Services	\$115,000	\$927,800	\$823,400
Subventions	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$6,000
Transfers	\$0	\$0	\$0
TOTAL	\$332,400	\$1,526,600	\$1,867,600
Number of Regular Employees	2.00	5.00	5.00
Number of Contract Employees	1.00	2.67	8.50

Program: City of Industry Tax Increment
Division: Housing Development and Preservation

MISSION:

To implement an approved strategy for the allocation and distribution of the City of Industry funds for the development of housing for low-income individuals, households, and special needs populations.

MAJOR OBJECTIVES FOR FY 2007-08:

1. Allocate Round 11 funds through NOFA process for approximately \$10 million for 150 units.
2. Begin or continue construction for 2 Special Needs project involving 249 units: Lyndon Hotel and YWCA.
3. Receive certificate of occupancy and complete 4 special needs projects for 94 units involving \$350,000 of Industry funds: Hoover Apts, Laguna Srs, Las Flores, and Abbey Apts.
4. Begin or continue construction on 4 affordable rental or for sale development projects for 198 units: Mariposa, Salinas, Galemont, and Segundo Terrace.
5. Receive certificate of occupancy and complete 10 affordable rental and Special Needs development projects for 415 units involving \$4.76 million of Industry funds: Mariposa, Central City Family, Mason Court, James Wood, Olive Glen, Maple Glen, Bassettale, Central Village, Sierra Madre, and Pico Gramercy.

*Special Needs Housing includes housing for the developmentally disabled, mentally ill, victims of domestic violence, emancipated foster youth, persons with HIV/AIDS, homeless and at risk of homeless families, homeless frequent users of the Department of Mental Health and Health Services systems.

**Affordable Housing includes multifamily rental housing, rental housing for seniors, and affordable for-sale housing.

PROGRAM BUDGET INFORMATION:

	<u>2006-07 BUDGET</u>	<u>2006-07 ESTIMATE</u>	<u>2007-08 BUDGET</u>
Salary and Benefits	\$805,100	\$607,500	\$430,800
Non-Personal Services	\$41,500	\$33,800	\$24,700
Subventions	\$10,589,600	\$12,591,200	\$7,362,100
Capital Outlay	\$344,500	\$174,800	\$294,900
Transfers	\$1,104,400	\$1,302,700	\$899,100
TOTAL	\$12,885,100	\$14,710,000	\$9,011,600
Number of Regular Employees	9.45	7.07	4.33
Number of Contract Employees	0.50	0.50	0.60

Program: Traffic Violator School Monitoring
Division: Office of Executive Management

MISSION:

Administer the Traffic Violator School Monitoring Program for the County of Los Angeles as required for compliance with Section 11205 of the Vehicle Code of the State of California.

MAJOR OBJECTIVES FOR FY 2007-08:

1. Conduct monitorings of each traffic violator school on the Los Angeles County Classroom Location List at least once every 90 days; and audit each schools' business office annually.
 2. Monitor and audit each of the approved Home Study Traffic Schools on the Los Angeles Superior Court list by both on-line and site visits.
 3. Provide copies of all monitoring and audit reports to the Department of Motor Vehicles and Superior Court.
 4. Publish and provide the Superior Court with a list of approved traffic violator schools in Los Angeles County on a quarterly basis.
 5. Respond to all inquiries and complaints within 15 working days.
 6. Continue the Los Angeles County Sheriff Department fraud detection program providing undercover work and law enforcement services for TVSM to reduce traffic school fraud in the County.
 7. Process and evaluate Home Study Traffic School applications and courses for the Home Study program, and assist the Superior in maintaining the listing of approved schools.
-

PROGRAM BUDGET INFORMATION:

	<u>2006-07 BUDGET</u>	<u>2006-07 ESTIMATE</u>	<u>2007-08 BUDGET</u>
Salary and Benefits	\$938,700	\$911,700	\$1,053,000
Non-Personal Services	\$434,100	\$428,700	\$448,800
Subventions	\$0	\$0	\$0
Capital Outlay	\$3,000	\$3,000	\$0
Transfers	\$121,500	\$120,600	\$136,200
TOTAL	\$1,497,300	\$1,464,000	\$1,638,000
Number of Regular Employees	15.00	14.71	16.00
Number of Contract Employees	1.00	1.00	0.00

Housing Authority - County of Los Angeles

April 25, 2007

TO: Honorable Housing Commissioners
FROM:  Bobbette Glover, Assistant Executive Director

SUBJECT: REQUEST TO RECOMMEND APPROVAL OF ADDITIONAL FUNDING FOR SECTION 8 INVESTIGATIVE SERVICES IN THE CITIES OF LANCASTER AND PALMDALE

This is to request that the Housing Commission recommend to the Board of Commissioners approval of additional funding for Section 8 Program investigative services performed by the Housing Authority in the cities of Lancaster and Palmdale.

The attached Motion has been prepared at the request of Supervisor Antonovich. It authorizes the Housing Authority to accept up to \$356,790 in Economic Development Funds (EDF) funds allocated to the Fifth Supervisorial District, and a maximum of \$356,790 in matching funds from the cities, for the performance of investigative services during the current and next fiscal year. The required documents will be executed following approval as to form by County Counsel.

It is anticipated that this matter will be scheduled for the agenda of the Board of Commissioners in early May.

Attachment: 1

MOTION BY COMMISSIONER ANTONOVICH

The Housing Authority of the County of Los Angeles (Housing Authority) administers the Housing Choice Voucher (Section 8) Program within the Cities of Lancaster and Palmdale (Cities), which includes monitoring and investigating participating landlords and tenants to ensure compliance with federal regulations and Housing Authority guidelines.

For approximately three years, the Housing Authority, the County, and the Cities have provided funding to increase the level of investigative services within the Cities for the Section 8 program. At this time, the allocation of a maximum of \$356,790, in funding from the County and the Cities, will serve to strengthen existing efforts to reduce Section 8 program crime and fraud within the Cities. This matter will be presented to the Housing Commission for concurrence at its next meeting.

I, THEREFORE, MOVE that the Board of Commissioners of the Housing Authority:

1. Find that the acceptance and allocation of additional funding from the County to support the Section 8 program within both the City of Lancaster and the City of Palmdale are exempt from the California Environmental Quality Act (CEQA), because the actions do not have the potential for causing a significant effect on the environment.
2. Authorize the Executive Director to receive Economic Development Funds (EDF) funds allocated to the Fifth Supervisorial District, not to exceed \$178,395, to fund continued Section 8 investigative services in the Cities of Lancaster and Palmdale.
3. Authorize the Executive Director to incorporate EDF funds, not to exceed \$20,055 for the City of Lancaster, into the Housing Authority's approved 2006-2007 Fiscal Year budget; and authorize the Executive Director to request, through the 2007-2008 Fiscal Year budget approval process, incorporation of EDF funds not to exceed \$116,340 for the City of Lancaster and \$42,000 for the City of Palmdale, for the purposes described above.

4. Authorize the Executive Director to incorporate a maximum of \$20,055 from the City of Lancaster into the Housing Authority's approved 2006-2007 Fiscal Year budget; and authorize the Executive Director to request through the 2007-2008 Fiscal Year budget approval process, incorporation of funds not exceeding \$116,340 from the City of Lancaster and \$42,000 from the City of Palmdale, for the purposes described above.
5. Authorize the Executive Director to execute Memoranda of Understanding (MOU's) with the Cities, and any necessary administrative amendments thereto, following approval as to form by County Counsel, and to take all necessary administrative actions to implement the MOU's, for the purposes described above.

MOTION

Molina _____

Burke _____

Knabe _____

Antonovich _____

Yaroslavsky _____